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

FORM 10-K

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

For the fiscal year ended December 31, 2017

OR

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

For the transition period from to

Commission File Number: 1-13199 (SL Green Realty Corp.)

Commission File Number: 33-167793-02 (SL Green Operating Partnership, L.P.)

SL GREEN REALTY CORP.
SL GREEN OPERATING PARTNERSHIP, L.P.

(Exact name of registrant as specified in its charter)

SL Green Realty Corp.	**Maryland**	**13-3956755**
SL Green Operating Partnership, L.P.	**Delaware**	**13-3960938**
	(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

420 Lexington Avenue, New York, NY 10170
(Address of principal executive offices—Zip Code)

(212) 594-2700
(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

Registrant	Title of Each Class	Name of Each Exchange on Which Registered
SL Green Realty Corp.	Common Stock, $0.01 par value	New York Stock Exchange
SL Green Realty Corp.	6.500% Series I Cumulative Redeemable Preferred Stock, $0.01 par value, $25.00 mandatory liquidation preference	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

SL Green Realty Corp. Yes x No o SL Green Operating Partnership, L.P. Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

SL Green Realty Corp. Yes o No x SL Green Operating Partnership, L.P. Yes o No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

SL Green Realty Corp. Yes x No o SL Green Operating Partnership, L.P. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

SL Green Realty Corp. Yes x No o SL Green Operating Partnership, L.P. Yes x No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

SL Green Realty Corp. o SL Green Operating Partnership, L.P. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

SL Green Realty Corp.

Large accelerated filer	x	Accelerated filer	o
Non-accelerated filer	o (Do not check if a smaller reporting company)		
Smaller Reporting Company	o	Emerging Growth Company	o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

SL Green Operating Partnership, L.P.

Large accelerated filer	o	Accelerated filer	o
Non-accelerated filer	x (Do not check if a smaller reporting company)		
Smaller Reporting Company	o	Emerging Growth Company	o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

SL Green Realty Corp. Yes o No x SL Green Operating Partnership, L.P. Yes o No x

The aggregate market value of the common stock held by non-affiliates of SL Green Realty Corp. (92,294,537 shares) was $9.8 billion based on the quoted closing price on the New York Stock Exchange for such shares on June 30, 2017.

As of February 22, 2018, 90,327,098 shares of SL Green Realty Corp.'s common stock, par value $0.01 per share, were outstanding. As of February 22, 2018, 1,468,438 common units of limited partnership interest of SL Green Operating Partnership, L.P. were held by non-affiliates. There is no established trading market for such units.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the SL Green Realty Corp.'s Proxy Statement for its 2018 Annual Stockholders' Meeting to be filed within 120 days after the end of the Registrant's fiscal year are incorporated by reference into Part III of this Annual Report on Form 10-K.

EXPLANATORY NOTE

This report combines the annual reports on Form 10-K for the year ended December 31, 2017 of SL Green Realty Corp. and SL Green Operating Partnership, L.P. Unless stated otherwise or the context otherwise requires, references to "SL Green Realty Corp.," the "Company" or "SL Green" mean SL Green Realty Corp. and its consolidated subsidiaries; and references to "SL Green Operating Partnership, L.P.," the "Operating Partnership" or "SLGOP" mean SL Green Operating Partnership, L.P. and its consolidated subsidiaries. The terms "we," "our" and "us" mean the Company and all the entities owned or controlled by the Company, including the Operating Partnership.

The Company is a Maryland corporation which operates as a self-administered and self-managed real estate investment trust, or REIT, and is the sole managing general partner of the Operating Partnership. As a general partner of the Operating Partnership, the Company has full, exclusive and complete responsibility and discretion in the day-to-day management and control of the Operating Partnership.

As of December 31, 2017, the Company owns 95.42% of the outstanding general and limited partnership interest in the Operating Partnership. The Company also owns 9,200,000 Series I Preferred Units of the Operating Partnership. As of December 31, 2017, noncontrolling investors held, in aggregate, a 4.58% limited partnership interest in the Operating Partnership. We refer to these interests as the noncontrolling interests in the Operating Partnership.

The Company and the Operating Partnership are managed and operated as one entity. The financial results of the Operating Partnership are consolidated into the financial statements of the Company. The Company has no significant assets other than its investment in the Operating Partnership. Substantially all of our assets are held by, and our operations are conducted through, the Operating Partnership. Therefore, the assets and liabilities of the Company and the Operating Partnership are substantially the same.

Noncontrolling interests in the Operating Partnership, stockholders' equity of the Company and partners' capital of the Operating Partnership are the main areas of difference between the consolidated financial statements of the Company and those of the Operating Partnership. The common limited partnership interests in the Operating Partnership not owned by the Company are accounted as noncontrolling interests, within mezzanine equity, in the Company's and the Operating Partnership's consolidated financial statements.

We believe combining the annual reports on Form 10-K of the Company and the Operating Partnership into this single report results in the following benefits:

- Combined reports enhance investors' understanding of the Company and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- Combined reports eliminate duplicative disclosure and provides a more streamlined and readable presentation since a substantial portion of the Company's disclosure applies to both the Company and the Operating Partnership; and
- Combined reports create time and cost efficiencies through the preparation of one combined report instead of two separate reports.

To help investors understand the significant differences between the Company and the Operating Partnership, this report presents the following separate sections for each of the Company and the Operating Partnership:

- consolidated financial statements;
- the following notes to the consolidated financial statements:
  - Note 11, Noncontrolling Interests on the Company’s Consolidated Financial Statements;
  - Note 12, Stockholders' Equity of the Company;
  - Note 13, Partners' Capital of the Operating Partnership;
  - Note 22, Quarterly Financial Data of the Company (unaudited); and
  - Note 23, Quarterly Financial Data of the Operating Partnership (unaudited).

This report also includes separate Part II, Item 5. Market for Registrants' Common Equity and Related Stockholder Matters and Issuer Purchases of Equity Securities, Item 6. Selected Financial Data and Item 9A. Controls and Procedures sections and separate Exhibit 31 and 32 certifications for each of the Company and the Operating Partnership, respectively, in order to establish that the Chief Executive Officer and the Chief Financial Officer of the Company, in both their capacity as the principal executive officer and principal financial officer of the Company and the principal executive officer and principal financial officer of the general partner of the Operating Partnership, have made the requisite certifications and that the Company and the Operating Partnership are compliant with Rule 13a-15 and Rule 15d-15 of the Securities Exchange Act of 1934, as amended.

SL GREEN REALTY CORP. AND SL GREEN OPERATING PARTNERSHIP, L.P.

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PART I

ITEM 1. BUSINESS

General

SL Green Realty Corp. is a self-managed real estate investment trust, or REIT, engaged in the acquisition, development, ownership, management and operation of commercial and residential real estate properties, principally office properties, located in the New York metropolitan area. We were formed in June, 1997 for the purpose of continuing the commercial real estate business of S.L. Green Properties, Inc., our predecessor entity. S.L. Green Properties, Inc., which was founded in 1980 by Stephen L. Green, the Company's Chairman, had been engaged in the business of owning, managing, leasing, acquiring, and repositioning office properties in Manhattan, a borough of New York City. Reckson Associates Realty Corp., or Reckson, and Reckson Operating Partnership, L.P., or ROP, are wholly-owned subsidiaries of SL Green Realty Corp.

As of December 31, 2017, we owned the following interests in properties in the New York metropolitan area, primarily in midtown Manhattan. Our investments located outside of Manhattan are referred to as the Suburban properties:

		Consolidated		Unconsolidated		Total		
Location	Property Type	Number of Properties	Approximate Square Feet	Number of Properties	Approximate Square Feet	Number of Properties	Approximate Square Feet	Weighted Average Occupancy(1)
Commercial:								
Manhattan	Office	23 (2)	14,304,606	9	10,356,864	32	24,661,470	93.9%
	Retail	4 (3)	302,583	9	347,970	13	650,553	94.5%
	Development/Redevelopment	7	158,985	4	770,514	11	929,499	63.8%
	Fee Interest	1	176,530	1	—	2	176,530	100.0%
		35	14,942,704	23	11,475,348	58	26,418,052	92.9%
Suburban	Office	20 (4)	3,013,200	2	640,000	22	3,653,200	84.0%
	Retail	1	52,000	—	—	1	52,000	100.0%
	Development/Redevelopment	1	1,000	1	—	2	1,000	100.0%
		22	3,066,200	3	640,000	25	3,706,200	84.3%
Total commercial properties		57	18,008,904	26	12,115,348	83	30,124,252	91.8%
Residential:								
Manhattan	Residential	3 (3)	472,105	12	2,656,856	15	3,128,961	87.6%
Suburban	Residential	—	—	—	—	—	—	—%
Total residential properties		3	472,105	12	2,656,856	15	3,128,961	87.6%
Total portfolio		60	18,481,009	38	14,772,204	98	33,253,213	91.4%

(1) The weighted average occupancy for commercial properties represents the total occupied square feet divided by total square footage at acquisition. The weighted average occupancy for residential properties represents the total occupied units divided by total available units.
(2) Includes the property at 600 Lexington Avenue in New York, New York which was classified as held for sale at December 31, 2017.
(3) As of December 31, 2017, we owned a building that was comprised of approximately 270,132 square feet of retail space and approximately 222,855 square feet of residential space. For the purpose of this report, we have included the building in the number of retail properties we own. However, we have included only the retail square footage in the retail approximate square footage, and have listed the balance of the square footage as residential square footage.
(4) Includes the properties at 115-117 Stevens Avenue in Valhalla, New York, and 1-6 International Drive in Rye Brook, New York which are classified as held for sale at December 31, 2017.

As of December 31, 2017, we also managed an office building with approximately 336,000 square feet, which is owned by a third party, and held debt and preferred equity investments with a book value of $2.3 billion, including $0.2 billion of debt and preferred equity investments and other financing receivables that are included in balance sheet line items other than the Debt and Preferred Equity Investments line item.

Our corporate offices are located in midtown Manhattan at 420 Lexington Avenue, New York, New York 10170. As of December 31, 2017, our corporate staff consisted of 310 persons, including 211 professionals experienced in all aspects of commercial real estate. We can be contacted at (212) 594-2700. We maintain a website at *www.slgreen.com*. On our website, you can obtain, free of charge, a copy of our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after we file such material electronically with, or furnish it to, the Securities and Exchange Commission, or the SEC. We have also made available on our website our audit committee charter, compensation

committee charter, nominating and corporate governance committee charter, code of business conduct and ethics and corporate governance principles. We do not intend for information contained on our website to be part of this annual report on Form 10-K. You can also read and copy any materials we file with the SEC at its Public Reference Room at 100 F Street, NE, Washington, DC 20549 (1-800-SEC-0330). The SEC maintains a website (http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Unless the context requires otherwise, all references to the "Company," "SL Green," "we," "our" and "us" in this annual report means SL Green Realty Corp., a Maryland corporation, and one or more of its subsidiaries, including the Operating Partnership, or, as the context may require, SL Green only or the Operating Partnership only, and "S.L. Green Properties" means S.L. Green Properties, Inc., a New York corporation, as well as the affiliated partnerships and other entities through which Stephen L. Green historically conducted commercial real estate activities.

Corporate Structure

In connection with the Company's initial public offering, or IPO, in August 1997, the Operating Partnership received a contribution of interests in real estate properties as well as a 95% economic, non-voting interest in the management, leasing and construction companies affiliated with S.L. Green Properties. We refer to these management, leasing and construction entities, which are owned by S.L. Green Management Corp, as the "Service Corporation." The Company is organized so as to qualify, and has elected to qualify as a REIT, under the Internal Revenue Code of 1986, as amended, or the Code.

Substantially all of our assets are held by, and all of our operations are conducted through, the Operating Partnership. We are the sole managing general partner of the Operating Partnership, and as of December 31, 2017, we owned 95.42% of its economic interests. All of the management and leasing operations with respect to our wholly-owned properties are conducted through SL Green Management LLC, or Management LLC. The Operating Partnership owns a 100% interest in Management LLC.

In order to maintain the Company's qualification as a REIT while realizing income from management, leasing and construction contracts with third parties and joint venture properties, all of these service operations are conducted through the Service Corporation, a consolidated variable interest entity. We, through our Operating Partnership, receive substantially all of the cash flow from the Service Corporation's operations. All of the voting common stock of the Service Corporation is held by an entity owned and controlled by the chairman of the Company's board of directors.

Business and Growth Strategies

SL Green is New York City's largest owner of commercial real estate and an investment-grade S&P 500 company that is focused primarily on owning, managing and maximizing the value of Manhattan commercial properties.

Our core business is the ownership of high quality commercial properties and our primary business objective is to maximize the total return to stockholders, through growth in net income attributable to common stockholders and funds from operations, or FFO, and through asset value appreciation. The commercial real estate expertise resulting from owning, operating, investing, developing, redeveloping and lending on real estate in Manhattan for over 37 years has enabled us to invest in a collection of premier office and retail properties, selected multifamily residential assets, and high quality debt and preferred equity investments. We also own high quality office properties in the New York metropolitan area.

We are led by a strong, experienced management team that provides a foundation of skills in all aspects of real estate, including acquisitions, dispositions, management, leasing, development, redevelopment, and financing. It is with this team that we have achieved a market leading position in our targeted submarkets.

We seek to enhance the value of our company by executing strategies that include the following:

- Leasing and property management, which capitalizes on our extensive presence and knowledge of the marketplaces in which we operate;
- Acquiring office, retail and residential properties and employing our local market skills to reposition these assets to create incremental cash flow and capital appreciation;
- Identifying properties well suited for development/redevelopment and maximizing the value of those properties through redevelopment or reconfiguration to match current workplace, retail and housing trends;
- Investing in debt and preferred equity positions that generate consistently strong risk-adjusted returns, increase the breadth of our market insight, foster key market relationships and source potential future investment opportunities;
- Executing dispositions through sales or joint ventures that harvest embedded equity which has been generated through management's value enhancing activities; and
- Maintaining a prudently levered, liquid balance sheet with consistent access to diversified sources of property level and corporate capital.

Leasing and Property Management

We seek to capitalize on our management's extensive knowledge of New York City and surrounding suburban markets and the needs of our tenants through proactive leasing and management programs, which include: (i) use of in-depth market experience resulting from managing and leasing tens of millions of square feet of office, retail and residential space since the Company was founded, predominantly in Manhattan; (ii) careful tenant management, which results in long average lease terms and a manageable lease expiration schedule; (iii) utilization of an extensive network of third-party brokers to supplement our in-house leasing team; (iv) use of comprehensive building management analysis and planning; and (v) a commitment to tenant satisfaction by providing high quality tenant services at competitive rental rates.

We believe that our proactive leasing efforts have directly contributed to our average portfolio occupancy consistently exceeding the market average.

Property Acquisitions

We acquire core properties for long-term value appreciation and earnings growth. We also acquire non-core properties that are typically held for shorter periods during which we intend to create significant increases in value. This strategy has resulted in capital gains that increase our investment capital base. In implementing this strategy, we continually evaluate potential acquisition opportunities. These opportunities may come from new properties as well as acquisitions in which we already hold a joint venture interest or, from time to time, from our debt and preferred equity investments.

Through intimate knowledge of our markets we have developed an ability to source transactions with superior risk-adjusted returns by capturing off-market opportunities. In rising markets, we primarily seek to acquire strategic vacancies that provide the opportunity to take advantage of our exceptional leasing and repositioning capabilities to increase cash flow and property value. In stable or falling markets, we primarily target assets featuring credit tenancies with fully escalated in-place rents to provide cash flow stability near-term and the opportunity for increases over time.

Management’s breadth of activities and expertise in New York City has also enabled us to identify and acquire retail properties in prime Manhattan locations. Combining our real estate skills and ability to attract premier tenants has resulted in transactions that have provided significant capital appreciation. This same market penetration has permitted us to grow a portfolio of high quality, well-located multifamily properties

We believe that we have many advantages over our competitors in acquiring core and non-core properties, both directly and through our joint venture program that includes a predominance of high quality institutional investors. Those advantages include: (i) senior management's average 29 years of experience leading a full-service, fully-integrated real estate company focused on the Manhattan market; (ii) the ability to offer tax-advantaged structures to sellers through the exchange of ownership interests, including units in our Operating Partnership; and (iii) the ability to underwrite and close transactions on an expedited basis even when the transaction requires a complicated structure.

Property Dispositions

We continually evaluate our portfolio to identify those properties that are most likely to meet our long-term earnings and cash flow growth objectives and contribute to increasing portfolio value. Properties that no longer meet our objectives are evaluated for sale, or in certain cases, joint venture to release equity created through management's value enhancement programs or to take advantage of attractive market valuations.

We seek to efficiently deploy the capital proceeds generated from these dispositions into property acquisitions and debt and preferred equity investments that we expect will provide enhanced future capital gains and earnings growth opportunities. Management may also elect to utilize the capital proceeds from these dispositions to repay existing indebtedness of the Company or its subsidiaries, repurchase shares of our common stock, or increase cash liquidity.

Property Repositioning

Our extensive knowledge of the markets in which we operate and our ability to efficiently plan and execute capital projects provide the expertise to enhance returns by repositioning properties that are underperforming. Many of the properties we own or seek to acquire feature unique architectural design elements, including large floor plates, and other amenities and characteristics that can be appealing to tenants when fully exploited. Our strategic investment in these properties, combined with our active management and pro-active leasing, provide the opportunity to creatively meet market needs and generate favorable returns.

Development / Redevelopment

Our constant interactions with tenants and other market participants keep us abreast of innovations in workplace layout, store design and smart living. We leverage this information to identify properties primed for development or redevelopment to meet these demands and unlock value. Our deep visibility into the market allows us to acquire locations before others see the opportunity. The expertise and relationships that we have built from managing complex construction projects in New York City

and its surrounding areas allow us to cost efficiently add new and renovated assets of the highest quality and desirability to our operating portfolio.

Debt and Preferred Equity Investments

We invest in well-collateralized debt and preferred equity investments in the markets in which we operate, primarily New York City, that generate attractive yields. See Note 5, "Debt and Preferred Equity Investments," in the accompanying consolidated financial statements. Knowledge of our markets and our leasing and asset management expertise provide underwriting capabilities that enable a highly educated assessment of risk and return. The benefits of this investment program, which has a carefully managed aggregate size, net of anticipated payoffs, generally not to exceed 10% of our total enterprise value, include the following:

- Our typical investments provide high current returns at conservative exposure levels and, in certain cases, the potential for future capital gains. Because we are the largest commercial property owner in Manhattan, our expertise and operating capabilities provide both insight and operating skills that mitigate risk.
- In certain instances, these investments serve as a potential source of real estate acquisitions for us when a borrower seeks an efficient off-market transaction. Ownership knows that we are fully familiar with the asset through our existing investment, and that we can close more efficiently and quickly than others. Property owners may also provide us the opportunity to consider off-market transactions involving other properties they own because we have previously provided debt or preferred equity financing to them.
- These investments are concentrated in Manhattan, which helps us gain market insight, awareness of upcoming investment opportunities and foster key relationships that may provide access to future investment opportunities.

Capital Resources

Our objective is to maintain multiple sources of corporate and property level capital to obtain the most appropriate and lowest cost of capital. This objective is supported by:

- Property operations that generally provide stable and growing cash flows through market cycles due to favorable supply/demand metrics in Manhattan, long average lease terms, high credit quality tenants and superior leasing, operating and asset management skills;
- Concentration of our activities in a Manhattan market that is consistently attractive to property investors and lenders through market cycles relative to other markets;
- Maintaining strong corporate liquidity and careful management of future debt maturities; and
- Maintaining access to corporate capital markets through balanced financing and investment activities that result in strong balance sheet and cash flow metrics.

Manhattan Office Market Overview

Manhattan is by far the largest office market in the United States containing more rentable square feet than the next four largest central business district office markets combined. The properties in our portfolio are concentrated in some of Manhattan's most prominent midtown locations.

According to Cushman and Wakefield Research Services as of December 31, 2017, Manhattan has a total office inventory of approximately 399.0 million square feet, including approximately 243.1 million square feet in midtown. We estimate that approximately 18.3 million square feet of new construction class-A buildings over 250,000 square feet will become available between 2018 and 2022 in Manhattan, approximately 45.4% of which is pre-leased. We estimate that this increase is partially offset by approximately 4.4 million square feet which will be converted from office use to an alternative use. This will add only approximately 0.7% per year to Manhattan's total inventory, net of conversions, over the next five years.

While the addition of new supply to the Manhattan office inventory is nominal relative to the size of the overall market, we view any additional supply as a positive to the Manhattan office market given the older vintage of the majority of Manhattan’s office inventory and the desire of certain tenants to occupy new, high quality, efficient office space, which often isn’t available in older vintage properties. In addition, Manhattan’s office inventory has only grown by approximately 8.3 million square feet over the last 25-30 years.

General Terms of Leases in the Manhattan Markets

Leases entered into for space in Manhattan typically contain terms that may not be contained in leases in other U.S. office markets. The initial term of leases entered into for space in Manhattan is generally seven to fifteen years. Tenants leasing space in excess of 10,000 square feet for an initial term of 10 years or longer often will negotiate an option to extend the term of the lease for one or two renewal periods, typically for a term of five years each. The base rent during the initial term often will provide for agreed-upon periodic increases over the term of the lease. Base rent for renewal terms is most often based upon the then fair

market rental value of the premises as of the commencement date of the applicable renewal term (generally determined by binding arbitration in the event the landlord and the tenant are unable to mutually agree upon the fair market value), though base rent for a renewal period may be set at 95% of the then fair market rent. Very infrequently, leases may contain termination options whereby a tenant can terminate the lease obligation before the lease expiration date upon payment of a penalty together with repayment of the unamortized portion of the landlord's transaction costs (e.g., brokerage commissions, free rent periods, tenant improvement allowances, etc.).

In addition to base rent, a tenant will generally also pay its pro rata share of increases in real estate taxes and operating expenses for the building over a base year, which is typically the year during which the term of the lease commences, based upon the tenant's proportionate occupancy of the building. In some smaller leases (generally less than 10,000 square feet), in lieu of paying additional rent based upon increases in building operating expenses, base rent will be increased each year during the lease term by a set percentage on a compounding basis (though the tenant will still pay its pro rata share of increases in real estate taxes over a base year).

Tenants typically receive a free rent period following commencement of the lease term, which in some cases may coincide with the tenant's construction period.

The landlord most often supplies electricity either on a sub-metered basis at the landlord's cost plus a fixed percentage or a rent inclusion basis (i.e., a fixed fee is added to the base rent for electricity, which amount may increase based upon increases in electricity rates or increases in electrical usage by the tenant). Base building services, other than electricity, such as heat, air conditioning, freight elevator service during business hours and base building cleaning typically are provided at no additional cost, but are included in the building's operating expenses. The tenant will typically pay additional rent only for services which exceed base building services or for services which are provided other than during normal business hours.

In a typical lease for a new tenant renting in excess of 10,000 square feet, the landlord will deliver the premises with existing improvements demolished. In such instances, the landlord will typically provide a tenant improvement allowance, which is a fixed sum that the landlord makes available to the tenant to reimburse the tenant for all or a portion of the tenant's initial construction of its premises. Such sum typically is payable as work progresses, upon submission by the tenant of invoices for the cost of construction and lien waivers. However, in certain leases (most often for relatively small amounts of space), the landlord will construct the premises for the tenant at a cost to the landlord not to exceed an agreed upon amount with the tenant paying any amount in excess of the agreed upon amount. In addition, landlords may rent space to a tenant that is "pre-built" (i.e., space that was constructed by the landlord in advance of lease signing and is ready to for the tenant to move in with the tenant selecting paint and carpet colors).

Occupancy

The following table sets forth the weighted average occupancy rates at our office properties based on space leased as of December 31, 2017 and 2016:

	Percent Occupied as of December 31,	
Property	**2017**	**2016**
Same-Store properties [(1)] - Manhattan	95.3%	95.9%
Same-Store properties [(1)] - Suburban	87.2%	83.7%
Manhattan properties	93.9%	94.9%
Suburban properties	84.0%	80.7%
Unconsolidated Joint Venture Properties	95.4%	91.8%
Portfolio	92.6%	92.8%

(1) Same-Store properties represents all operating properties owned by us at January 1, 2016 and still owned by us in the same manner at December 31, 2017, which totaled 43 of our 60 consolidated operating properties.

Rent Growth

We are constantly evaluating our schedule of future lease expirations to mitigate occupancy risk while maximizing rent growth. We proactively manage future lease expirations based on our view of estimated current and future market asking rents. The following table sets forth our future lease expirations, excluding triple net leases, and management's estimates of market asking rents. Taking rents are typically lower than asking rents and may vary from building to building. There can be no assurances that our estimates of market rents are accurate or that market rents currently prevailing will not erode or outperform in the future.

ANNUAL LEASE EXPIRATIONS - MANHATTAN OPERATING PROPERTIES

	Consolidated Properties						Joint Venture Properties					
Year of Lease Expiration	Number of Expiring Leases (2)	Rentable Square Footage of Expiring Leases	Percentage of Total Sq. Ft.	Annualized Cash Rent of Expiring Leases	Annualized Cash Rent Per Square Foot of Expiring Leases $/psf (3)	Current Weighted Average Asking Rent $/psf (4)	Number of Expiring Leases (2)	Rentable Square Footage of Expiring Leases	Percentage of Total Sq. Ft.	Annualized Cash Rent of Expiring Leases	Annualized Cash Rent Per Square Foot of Expiring Leases $/psf (3)	Current Weighted Average Asking Rent $/psf (4)
2017 (1)	9	10,006	0.07%	$460,049	$45.98	$50.24	2	9,390	0.09%	$838,610	$89.31	$86.81
1st Quarter 2018	19	175,633	1.28%	$19,756,616	$112.49	$147.33	4	32,921	0.32%	$3,149,806	$95.68	$88.74
2nd Quarter 2018	12	22,359	0.16%	1,157,748	51.78	49.77	4	17,004	0.17%	1,326,190	77.99	72.98
3rd Quarter 2018	15	205,231	1.49%	14,262,717	69.50	72.89	6	34,434	0.34%	3,115,836	90.49	71.64
4th Quarter 2018	26	127,928	0.93%	10,383,082	81.16	80.69	10	85,572	0.83%	9,956,499	116.35	84.55
Total 2018	**72**	**531,151**	**3.86%**	**$45,560,163**	**$85.78**	**$98.41**	**24**	**169,931**	**1.66%**	**$17,548,331**	**$103.27**	**$81.59**
2019	82	1,044,922	7.61%	$76,410,441	$73.13	$70.38	26	441,261	4.30%	$35,603,350	$80.69	$84.85
2020	98	2,328,968	16.95%	154,071,400	66.15	70.50	23	311,702	3.03%	20,180,982	64.74	70.73
2021	98	1,786,589	13.01%	116,415,234	65.16	67.50	29	369,113	3.59%	24,084,040	65.25	74.12
2022	100	1,143,613	8.32%	76,759,862	67.12	75.58	31	289,323	2.82%	24,224,560	83.73	86.48
2023	48	832,935	6.06%	49,899,730	59.91	64.56	15	468,914	4.57%	37,810,443	80.63	77.77
2024	31	278,486	2.03%	19,641,171	70.53	74.41	17	990,382	9.64%	95,723,469	96.65	86.24
2025	32	550,101	4.00%	54,587,969	99.23	95.42	16	591,141	5.76%	45,575,954	77.10	81.52
2026	29	799,693	5.82%	51,742,849	64.70	68.62	15	432,478	4.21%	43,371,726	100.29	109.34
Thereafter	112	4,430,805	32.27%	260,536,204	58.80	65.81	48	6,197,422	60.33%	419,550,447	67.70	83.66
	711	**13,737,269**	**100.00%**	**$906,085,072**	**$65.96**	**$70.68**	**246**	**10,271,057**	**100.00%**	**$764,511,912**	**$74.43**	**$83.96**

ANNUAL LEASE EXPIRATIONS - SUBURBAN OPERATING PROPERTIES

	Consolidated Properties						Joint Venture Properties					
Year of Lease Expiration	Number of Expiring Leases (2)	Rentable Square Footage of Expiring Leases	Percentage of Total Sq. Ft.	Annualized Cash Rent of Expiring Leases	Annualized Cash Rent Per Square Foot of Expiring Leases $/psf (3)	Current Weighted Average Asking Rent $/psf (4)	Number of Expiring Leases (2)	Rentable Square Footage of Expiring Leases	Percentage of Total Sq. Ft.	Annualized Cash Rent of Expiring Leases	Annualized Cash Rent Per Square Foot of Expiring Leases $/psf (3)	Current Weighted Average Asking Rent $/psf (4)
2017 (1)	14	53,994	2.20%	$2,309,173	$42.77	$38.00	3	19,684	4.50%	$771,937	$39.22	$35.61
1st Quarter 2018	14	55,557	2.27%	$1,753,503	$31.56	$30.49	—	—	—%	$—	$—	$—
2nd Quarter 2018	6	31,525	1.29%	981,528	31.13	32.05	—	—	—%	—	—	—
3rd Quarter 2018	10	49,044	2.00%	1,672,657	34.11	34.13	—	—	—%	—	—	—
4th Quarter 2018	9	68,782	2.81%	2,243,941	32.62	36.31	—	—	—%	—	—	—
Total 2018	**39**	**204,908**	**8.37%**	**$6,651,629**	**$32.46**	**$33.55**	**—**	**—**	**—%**	**$—**	**$—**	**$—**
2019	37	395,568	16.15%	$11,387,110	$28.79	$29.12	8	39,354	9.00%	$1,322,125	$33.60	$36.00
2020	46	284,734	11.63%	9,905,255	34.79	35.64	5	47,964	10.96%	1,837,847	38.32	35.67
2021	32	296,334	12.10%	9,716,915	32.79	32.85	5	104,296	23.84%	4,001,316	38.36	36.00
2022	28	124,214	5.07%	4,579,117	36.86	39.02	2	18,012	4.12%	658,428	36.55	36.00
2023	24	193,443	7.90%	6,604,408	34.14	33.29	3	52,010	11.89%	1,956,588	37.62	35.80
2024	6	113,413	4.63%	3,220,430	28.40	28.46	2	52,707	12.05%	1,860,324	35.30	36.00
2025	10	109,013	4.45%	3,434,309	31.50	33.51	1	1,729	0.40%	59,040	34.15	36.00
2026	15	284,252	11.61%	9,523,950	33.51	33.18	4	88,854	20.31%	3,009,736	33.87	35.96
Thereafter	21	389,273	15.89%	10,526,113	27.04	27.96	1	12,862	2.93%	417,546	32.46	36.00
	272	**2,449,146**	**100.00%**	**$77,858,409**	**$31.79**	**$32.18**	**34**	**437,472**	**100.00%**	**$15,894,887**	**$36.33**	**$35.91**

(1) Includes month to month holdover tenants that expired prior to December 31, 2017.
(2) Tenants may have multiple leases.
(3) Represents in place annualized rent allocated by year of expiration.
(4) Management's estimate of current average asking rents for currently occupied space as of December 31, 2017. Taking rents are typically lower than asking rents and may vary from property to property.

Industry Segments

The Company is a REIT that is engaged in the acquisition, development, ownership, management and operation of commercial and residential real estate properties, principally office properties, located in the New York metropolitan area and has two reportable segments: real estate and debt and preferred equity investments. Our industry segments are discussed in Note 21, "Segment Information," in the accompanying consolidated financial statements.

At December 31, 2017, our real estate portfolio was primarily located in one geographical market, the New York metropolitan area. The primary sources of revenue are generated from tenant rents and escalations and reimbursement revenue. Real estate property operating expenses consist primarily of security, maintenance, utility costs, real estate taxes and, at certain properties, ground rent expense. As of December 31, 2017, one tenant in our office portfolio contributed 8.0% of our share of annualized

cash rent. No other tenant contributed more than 5.0% of our share of annualized cash rent. No property contributed in excess of 10.0% of our consolidated total revenue for 2017.

At December 31, 2017, we held debt and preferred equity investments with a book value of $2.3 billion, including $0.2 billion of debt and preferred equity investments and other financing receivables that are included in balance sheet line items other than the Debt and Preferred Equity Investments line item. At December 31, 2017, the assets underlying our debt and preferred equity investments were located in the New York metropolitan area. The primary sources of revenue are generated from interest and fee income.

Employees

At December 31, 2017, we employed 1,065 employees, 212 of whom were managers and professionals, 754 of whom were hourly-paid employees involved in building operations and 99 of whom were clerical, data processing and other administrative employees. There are currently six collective bargaining agreements which cover the workforce that services substantially all of our properties.

Highlights from 2017

Our significant achievements from 2017 included:

Corporate

- Repurchased 8.3 million shares of our common stock under our share repurchase program at an average price of $101.64 per share and increased the size of our share repurchase program by $500 million to $1.5 billion.
- Executed a Guaranteed Maximum Price contract, secured a New Building Permit and commenced vertical construction at One Vanderbilt.

Leasing

- Signed 191 Manhattan office leases covering approximately 1.5 million square feet. The mark-to-market on signed Manhattan office leases was 11.3% higher in 2017 than the previously fully escalated rents on the same spaces.
- Signed 89 Suburban office leases covering approximately 0.5 million square feet. The mark-to-market on signed Suburban office leases was 2.9% higher in 2017 than the previously fully escalated rents on the same spaces.
- Signed long-term leases with DZ Bank and DVB Bank at One Vanderbilt for a total of 35,382 square feet. The 15-year leases cover the entire 26th floor of the 58-story skyscraper currently being constructed next to Grand Central Terminal.
- Signed leases with LINE FRIENDS for 7,711 square feet, of which 4,629 square feet is at-grade, and Viacom for 8,700 square feet at 1515 Broadway for the retail space previously occupied by Aeropostale.
- Signed a new lease with Ascensia Diabetes Care US Inc. for 65,000 square feet at 100 Summit Lake Drive in Valhalla, New York for 11.0 years.

Acquisitions

- Together with private investment manager RXR Realty closed on the acquisition of a combined 48.7% interest in Worldwide Plaza based on a gross asset valuation of $1.725 billion. The acquisition allows the Company to expand its footprint on Manhattan's West Side through investing in a Class A asset that is fully leased to institutional tenants.

Dispositions

- Closed on the sale of a 27.6% interest in One Vanderbilt to the National Pension Service of Korea ("NPS") and a 1.4% interest to Hines Interest LP ("Hines").
- Closed on the sale of a 30% interest in 1515 Broadway at a gross asset valuation of $1.950 billion, pursuant to an agreement to sell interests totaling 43%. The balance of the transaction closed in the first quarter of 2018.
- Entered into an agreement to sell 600 Lexington Avenue for a gross asset valuation of $305.0 million. The transaction closed in January 2018.
- Closed on the sale of 16 Court Street in Brooklyn, New York for a gross asset valuation of $171.0 million.
- Closed on the sale of 680-750 Washington Boulevard, in Stamford, Connecticut, for a gross asset valuation of $97.0 million.
- Closed on the sale of 102 Greene Street for a gross asset valuation of $43.5 million.
- Closed on the sale of 125 Chubb Avenue in Lyndhurst, New Jersey, for a gross asset valuation of $29.5 million.

- Closed on the sale of 520 White Plains Road in Tarrytown, New York, for a gross asset valuation of $21.0 million
- Sold 4,774,220 common shares of New York REIT, Inc., or NYRT, representing the Company's total holdings, generating a $3.3 million gain.

Debt and Preferred Equity Investments

- Originated and retained, or acquired, $1.3 billion in debt and preferred equity investments, inclusive of advances under future funding obligations, discount and fee amortization, and paid-in-kind interest, net of premium amortization, and recorded $813 million of proceeds from sales, repayments and participations.

Finance

- Fitch Ratings upgraded the corporate credit ratings for the Company.
- Returned to the public unsecured debt markets with an issuance of $500.0 million of 5-year, 3.25% senior unsecured notes.
- Issued an additional $100.0 million of 4.50% senior unsecured notes due December 2022. The Notes priced at 105.334% plus accrued interest with a yield to maturity of 3.298%.
- Refinanced, extended, and expanded our unsecured corporate credit facility by $217 million, to $3.0 billion. The new facility, which reduced overall borrowing costs, includes a $1.5 billion revolving line of credit and $1.3 billion funded term loan component that both mature in 2023 as well as a new $200.0 million 7-year term loan component that matures in 2024.
- Closed on a new $300.0 million debt and preferred equity liquidity facility, which provides for favorable financing of senior mortgage loan investments. The new facility has a 1-year term with two 1-year extension options.
- In conjunction with our acquisition of an interest in Worldwide Plaza, together with our joint venture partners, closed on a $1.2 billion financing of the property. The new loan has a term of 10 years and carries a fixed interest rate of 3.98%.
- Together with our joint venture partner, closed on a $1.2 billion refinancing of 280 Park Avenue, which bears interest at a floating rate of 1.73% over LIBOR. The new loan matures in 2024, as extended, and replaces the previous $900.0 million of indebtedness on the property.
- Together with our joint venture partner, closed on $275.0 million of financing of 650 Fifth Avenue. The financing matures in October 2022 and is comprised of a $210.0 million mortgage that carries a fixed interest rate of 4.460% and a $65.0 million mezzanine loan that carries a fixed interest rate of 5.450%.
- Together with our joint venture partner, closed on a $195.0 million refinancing of 1552 Broadway, which bears interest at a floating rate of 2.65% over LIBOR. The new loan matures in 2022, as extended, and replaces the previous $185.4 million of indebtedness on the property.
- Together with our joint venture partner, closed on a $195.0 million refinancing of 55 West 46th Street, known as Tower 46, which bears interest at a floating rate of 2.125% over LIBOR. The new loan matures in 2023, as extended, and replaces the previous $165.6 million of indebtedness on the property.
- Together with our joint venture partner, closed on a $170.0 million refinancing of 10 East 53rd Street, which bears interest at a floating rate of 2.25% over LIBOR. The new mortgage has a 3-year term with two 1-year extension options and replaces the previous $125.0 million of mortgage indebtedness on the property.
- Together with our joint venture partner, closed on a $35.5 million financing of 1080 Amsterdam Avenue. The new mortgage has a 5-year term and carries a fixed effective interest rate of 3.50%.

ITEM 1A. RISK FACTORS

Declines in the demand for office space in New York City, and in particular midtown Manhattan, as well as our Suburban markets, could adversely affect the value of our real estate portfolio and our results of operations and, consequently, our ability to service current debt and to pay dividends and distributions to security holders.

The majority of our property holdings are comprised of commercial office properties located in midtown Manhattan. Our property holdings also include a number of retail properties and multifamily residential properties. As a result of the concentration of our holdings, our business is dependent on the condition of the New York City economy in general and the market for office space in midtown Manhattan in particular. Future weakness and uncertainty in the New York City economy could materially reduce the value of our real estate portfolio and our rental revenues, and thus adversely affect our cash flow and our ability to service current debt and to pay dividends and distributions to security holders. Similarly, future weakness and uncertainty in our suburban markets could adversely affect our cash flow and our ability to service current debt and to pay dividends and distributions to security holders.

We may be unable to renew leases or relet space as leases expire.

If tenants decide not to renew their leases upon expiration, we may not be able to relet the space. Even if tenants do renew or we can relet the space, the terms of a renewal or new lease, taking into account among other things, the cost of improvements to the property and leasing commissions, may be less favorable than the terms in the expired leases. As of December 31, 2017, approximately 50.7% and approximately 17.0% of the rentable square feet, are scheduled to expire by December 31, 2022 at our consolidated properties and unconsolidated joint venture properties, respectively, and as of December 31, 2017, these leases had annualized escalated rent totaling $514.2 million and $131.1 million, respectively. In addition, changes in space utilization by tenants may impact our ability to renew or relet space without the need to incur substantial costs in renovating or redesigning the internal configuration of the relevant property. If we are unable to promptly renew the leases or relet the space at similar rates or if we incur substantial costs in renewing or reletting the space, our cash flow and ability to service debt obligations and pay dividends and distributions to security holders could be adversely affected.

We face significant competition for tenants.

The leasing of real estate is highly competitive. The principal competitive factors are rent, location, services provided and the nature and condition of the property to be leased. We directly compete with all owners, developers and operators of similar space in the areas in which our properties are located.

Our commercial office properties are concentrated in highly developed areas of midtown Manhattan and certain Suburban central business districts, or CBDs. Manhattan is the largest office market in the United States. The number of competitive office properties in Manhattan and CBDs in which our Suburban properties are located, which may be newer or better located than our properties, could have a material adverse effect on our ability to lease office space at our properties, and on the effective rents we are able to charge.

The expiration of long term leases or operating sublease interests where we do not own a fee interest in the land could adversely affect our results of operations.

Our interests in 420 Lexington Avenue, 461 Fifth Avenue, 711 Third Avenue, 625 Madison Avenue, 1185 Avenue of the Americas, 1080 Amsterdam Avenue, and 30 East 40th Street, all in Manhattan, and 1055 Washington Avenue, Stamford, Connecticut, are entirely or partially comprised of either long-term leasehold or operating sublease interests in the land and the improvements, rather than by ownership of fee interest in the land.

We have the ability to acquire the fee position at 461 Fifth Avenue for a fixed price on a specific date and own 50% of the fee position at 711 Third Avenue. The average remaining term of these long-term leases as of December 31, 2017, including our unilateral extension rights on each of the properties, is 50 years. Pursuant to the leasehold arrangements, we, as tenant under the operating sublease, perform the functions traditionally performed by landlords with respect to our subtenants. We are responsible for not only collecting rent from our subtenants, but also maintaining the property and paying expenses relating to the property. Our share of annualized cash rents of the commercial office properties held through long-term leases or operating sublease interests at December 31, 2017 totaled $295.4 million, or 22.0%, of our share of total Portfolio annualized cash rent. Unless we purchase a fee interest in the underlying land or extend the terms of these leases prior to expiration, we will lose our right to operate these properties upon expiration of the leases, which could adversely affect our financial condition and results of operations. Rent payments under leasehold or operating sublease interests are adjusted, within the parameters of the contractual arrangements, at certain intervals. Rent adjustments may result in higher rents that could adversely affect our financial condition and results of operation.

We rely on five large properties for a significant portion of our revenue.

Five of our properties, 11 Madison Avenue, 1185 Avenue of the Americas, 1515 Broadway, 420 Lexington Avenue, and 1 Madison Avenue accounted for 32.8% of our Portfolio annualized cash rent, which includes our share of joint venture annualized cash rent as of December 31, 2017.

Our revenue and cash available to service debt obligations and for distribution to our stockholders would be materially adversely affected if any of these properties were materially damaged or destroyed. Additionally, our revenue and cash available to service debt obligations and for distribution to our stockholders would be materially adversely affected if tenants at these properties fail to timely make rental payments due to adverse financial conditions or otherwise, default under their leases or file for bankruptcy or become insolvent.

Our results of operations rely on major tenants and insolvency or bankruptcy of these or other tenants could adversely affect our results of operations.

Giving effect to leases in effect as of December 31, 2017 for consolidated properties and unconsolidated joint venture properties, as of that date, our five largest tenants, based on annualized cash rent, accounted for 18.0% of our share of Portfolio annualized cash rent, with two tenants, Credit Suisse Securities (USA) LLC, and Viacom International Inc. accounting for 8.0%, and 4.4% of our share of Portfolio annualized cash rent, respectively. Our business and results of operations would be adversely affected if any of our major tenants became insolvent, declared bankruptcy, or otherwise refused to pay rent in a timely fashion or at all. In addition, if business conditions in the industries in which our tenants are concentrated deteriorate, we may experience increases in past due accounts, defaults, lower occupancy and reduced effective rents across tenants in such industries, which could in turn have an adverse effect on our business and results of operations.

Construction is in progress at our ground-up development project, One Vanderbilt.

The Company continues its significant ground-up development project, One Vanderbilt. Construction of the project will not be completed for several years. As with any ground-up development project, unforeseen delays and other matters could further delay completion, result in increased costs or otherwise have a material effect on our results of operations. In addition, the extended time frame to complete the project will cause the project to be subject to shifts and trends in the real estate market which may not be consistent with our current business plans for this property.

We are subject to risks that affect the retail environment.

Approximately 4.9% of our Portfolio annualized cash rent is generated by retail properties, principally in Manhattan. As a result, we are subject to risks that affect the retail environment generally, including the level of consumer spending, consumer confidence and levels of tourism in Manhattan. These factors could adversely affect the financial condition of our retail tenants and the willingness of retailers to lease space in our retail properties, which could in turn have an adverse effect on our business and results of operations.

Adverse economic and geopolitical conditions in general and the commercial office markets in particular could have a material adverse effect on our results of operations and financial condition and, consequently, our ability to service debt obligations and to pay dividends and distributions to security holders.

Our business may be affected by volatility in the financial and credit markets and other market, economic, or political challenges experienced by the U.S. economy or the real estate industry as a whole, including changes in law and policy accompanying the new administration and uncertainty in connection with any such changes. Future periods of economic weakness could result in reduced access to credit and/or wider credit spreads. Economic or political uncertainty, including concern about growth and the stability of the markets generally, may lead many lenders and institutional investors to reduce, and in some cases, cease to provide funding to borrowers, which could adversely affect our liquidity and financial condition, and the liquidity and financial condition of our tenants. Specifically, our business may be affected by the following conditions:

- significant job losses or declining rates of job creation which may decrease demand for our office space, causing market rental rates and property values to be negatively impacted;
- our ability to borrow on terms and conditions that we find acceptable may be limited, which could reduce our ability to pursue acquisition and development opportunities and refinance existing debt, reducing our returns from both our existing operations and our acquisition and development activities and increasing our future interest expense; and
- reduced values of our properties, which may limit our ability to dispose of assets at attractive prices or to obtain debt financing secured by our properties and may reduce the availability of unsecured loans.

Leasing office space to smaller and growth-oriented businesses could adversely affect our cash flow and results of operations.

Some of the tenants in our properties are smaller, growth-oriented businesses that may not have the financial strength of larger corporate tenants. Smaller companies generally experience a higher rate of failure than larger businesses. Growth-oriented

firms may also seek other office space as they develop. Leasing office space to these companies could create a higher risk of tenant defaults, turnover and bankruptcies, which could adversely affect our cash flow and results of operations.

We may suffer adverse consequences if our revenues decline since our operating costs do not necessarily decline in proportion to our revenue.

We earn a significant portion of our income from renting our properties. Our operating costs, however, do not necessarily fluctuate in direct proportion to changes in our rental revenue. As a result, our costs will not necessarily decline even if our revenues do. In such event, we may be forced to borrow to cover our costs, we may incur losses or we may not have cash available to service our debt and to pay dividends and distributions to security holders.

Competition for acquisitions may reduce the number of acquisition opportunities available to us and increase the costs of those acquisitions.

We may acquire properties when we are presented with attractive opportunities. We may face competition for acquisition opportunities from other investors, particularly those investors who are willing to incur more leverage, and this competition may adversely affect us by subjecting us to the following risks:

- an inability to acquire a desired property because of competition from other well-capitalized real estate investors, including publicly traded and privately held REITs, private real estate funds, domestic and foreign financial institutions, life insurance companies, sovereign wealth funds, pension trusts, partnerships and individual investors; and
- an increase in the purchase price for such acquisition property.

If we are unable to successfully acquire additional properties, our ability to grow our business could be adversely affected. In addition, increases in the cost of acquisition opportunities could adversely affect our results of operations.

We face risks associated with property acquisitions.

Our business strategy relies upon the acquisition of interests in properties, individual properties and portfolios of properties, including large portfolios that could significantly increase our size and alter our capital structure. Our acquisition activities may not be successful if we are unable to meet required closing conditions or unable to finance acquisitions and developments of properties on favorable terms or at all. Additionally, we have less visibility into the future performance of acquired properties than properties that we have owned for a period of time, and therefore, recently acquired properties may not be as profitable as our existing portfolio.

Further, we may acquire properties subject to both known and unknown liabilities and without any recourse, or with only limited recourse to the seller. As a result, if a liability were asserted against us arising from our ownership of those properties, we might have to pay substantial sums to settle it, which could adversely affect our cash flow. Unknown liabilities with respect to properties acquired might include:

- claims by tenants, vendors or other persons arising from dealing with the former owners of the properties;
- liabilities incurred in the ordinary course of business;
- claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties; and
- liabilities for clean-up of undisclosed environmental contamination.

Limitations on our ability to sell or reduce the indebtedness on specific properties could adversely affect the value of our common stock.

In connection with past and future acquisitions of interests in properties, we have or may agree to restrictions on our ability to sell or refinance the acquired properties for certain periods. These limitations could result in us holding properties which we would otherwise sell, or prevent us from paying down or refinancing existing indebtedness, any of which may have adverse consequences on our business and result in a material adverse effect on our financial condition and results of operations.

Potential losses may not be covered by insurance.

We maintain “all-risk” property and rental value coverage (including coverage regarding the perils of flood, earthquake and terrorism, excluding nuclear, biological, chemical, and radiological terrorism ("NBCR")), within three property insurance programs and liability insurance. Separate property and liability coverage may be purchased on a stand-alone basis for certain assets, such as the development of One Vanderbilt. Additionally, our captive insurance company, Belmont Insurance Company, or Belmont, provides coverage for NBCR terrorist acts above a specified trigger, although if Belmont is required to pay a claim under our insurance policies, we would ultimately record the loss to the extent of Belmont's required payment. However, there is no assurance that in the future we will be able to procure coverage at a reasonable cost. Further, if we experience losses that are uninsured or that exceed policy limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. Additionally, our debt instruments contain customary covenants requiring us to maintain insurance and we could default under debt our instruments if the cost and/or availability of certain types of insurance make it impractical or impossible to comply with such covenants relating to insurance. Belmont provides coverage solely on properties owned by the Company or its affiliates.

Furthermore, with respect to certain of our properties, including properties held by joint ventures, or subject to triple net leases, insurance coverage is obtained by a third-party and we do not control the coverage. While we may have agreements with such third parties to maintain adequate coverage and we monitor these policies, such coverage ultimately may not be maintained or adequately cover our risk of loss.

The occurrence of a terrorist attack may adversely affect the value of our properties and our ability to generate cash flow.

Our operations are primarily concentrated in the New York metropolitan area. In the aftermath of a terrorist attack or other acts of terrorism or war, tenants in the New York metropolitan area may choose to relocate their business to less populated, lower-profile areas of the United States that those tenants believe are not as likely to be targets of future terrorist activity. In addition, economic activity could decline as a result of terrorist attacks or other acts of terrorism or war, or the perceived threat of such acts. Each of these impacts could in turn trigger a decrease in the demand for space in the New York metropolitan area, which could increase vacancies in our properties and force us to lease our properties on less favorable terms. While under the Terrorism Risk Insurance Program Reauthorization Act of 2015, insurers must make terrorism insurance available under their property and casualty insurance policies, this legislation does not regulate the pricing of such insurance. The absence of affordable terrorism insurance coverage may adversely affect the general real estate lending market, lending volume and the market's overall liquidity and, in the event of an uninsured loss, we could lose all or a portion of our assets. Furthermore, we may also experience increased costs in relation to security equipment and personnel. As a result, the value of our properties and our results of operations could materially decline.

We face possible risks associated with the natural disasters and the physical effects of climate change.

We are subject to risks associated with natural disasters and the physical effects of climate change, which can include storms, hurricanes and flooding, any of which could have a material adverse effect on our properties, operations and business. To the extent climate change causes changes in weather patterns, our markets could experience increases in storm intensity and rising sea-levels. Over time, these conditions could result in declining demand for office space in our buildings or the inability of us to operate the buildings at all. Climate change may also have indirect effects on our business by increasing the cost of (or making unavailable) property insurance on terms we find acceptable, increasing the cost of energy at our properties and requiring us to expend funds as we seek to repair and protect our properties against such risks. There can be no assurance that climate change will not have a material adverse effect on our properties, operations or business.

We depend on dividends and distributions from our direct and indirect subsidiaries.

Substantially all of our assets are held through subsidiaries of our Operating Partnership. Our Operating Partnership’s cash flow is dependent on cash distributions to it by its subsidiaries, and in turn, substantially all of our cash flow is dependent on cash distributions to us by our Operating Partnership. The creditors of each of our direct and indirect subsidiaries are entitled to payment of that subsidiary’s obligations to them, when due and payable, before distributions may be made by that subsidiary to its equity holders.

Therefore, our Operating Partnership’s ability to make distributions to holders of its partnership units depends on its subsidiaries’ ability first to satisfy their obligations to their creditors and then to make distributions to our Operating Partnership. Likewise, our ability to pay dividends to holders of common stock and preferred stock depends on our Operating Partnership’s ability first to satisfy its obligations to its creditors and make distributions payable to holders of preferred units and then to make distributions to us.

Furthermore, the holders of preferred partnership units of our Operating Partnership are entitled to receive preferred distributions before payment of distributions to holders of common units of our Operating Partnership, including us. Thus, our ability to pay cash dividends to our shareholders and satisfy our debt obligations depends on our Operating Partnership’s ability

first to satisfy its obligations to its creditors and make distributions to holders of its preferred partnership units and then to holders of its common units, including us.

In addition, our participation in any distribution of the assets of any of our direct or indirect subsidiaries upon any liquidation, reorganization or insolvency is only after the claims of the creditors, including trade creditors and preferred security holders, are satisfied.

Debt financing, financial covenants, degree of leverage, and increases in interest rates could adversely affect our economic performance.

Scheduled debt payments could adversely affect our results of operations.

Cash flow could be insufficient to pay dividends and meet the payments of principal and interest required under our current mortgages, our 2017 credit facility, our senior unsecured notes, our debentures and indebtedness outstanding at our joint venture properties. The total principal amount of our outstanding consolidated indebtedness was $5.9 billion as of December 31, 2017, consisting of $1.5 billion in unsecured bank term loans (or "Term Loan A" and "Term Loan B"), $1.4 billion under our senior unsecured notes, $0.1 billion of junior subordinated deferrable interest debentures, $2.9 billion of non-recourse mortgages and loans payable on certain of our properties and debt and preferred equity investments, $40.0 million drawn under our revolving credit facility, and $11.8 million letters of credit. In addition, we could increase the amount of our outstanding consolidated indebtedness in the future, in part by borrowing under the revolving credit facility portion of our 2017 credit facility. As of December 31, 2017, the total principal amount of non-recourse indebtedness outstanding at the joint venture properties was $9.5 billion, of which our proportionate share was $4.2 billion. As of December 31, 2017, we had no recourse indebtedness outstanding at our unconsolidated joint venture properties.

If we are unable to make payments under our 2017 credit facility, all amounts due and owing at such time shall accrue interest at a rate equal to 2% higher than the rate at which each draw was made. If we are unable to make payments under our senior unsecured notes, the principal and unpaid interest will become immediately payable. If a property is mortgaged to secure payment of indebtedness and we are unable to meet mortgage payments, the mortgagee could foreclose on the property, resulting in loss of income and asset value. Foreclosure on mortgaged properties or an inability to make payments under our 2017 credit facility or our senior unsecured notes could trigger defaults under the terms of our other financings, making such financings at risk of being declared immediately payable, and would have a negative impact on our financial condition and results of operations.

We may not be able to refinance existing indebtedness, which may require substantial principal payments at maturity. $164.8 million of consolidated mortgage debt and $187.7 million of unconsolidated joint venture debt is scheduled to mature in 2018 after giving effect to repayments and refinancing of consolidated and joint venture debt between December 31, 2017 and February 22, 2018 as discussed in the "Financial Statements and Supplementary Data" section. At the present time, we intend to repay, refinance, or exercise extension options on the debt associated with our properties on or prior to their respective maturity dates. At the time of refinancing, prevailing interest rates or other factors, such as the possible reluctance of lenders to make commercial real estate loans, may result in higher interest rates. Increased interest expense on the extended or refinanced debt would adversely affect cash flow and our ability to service debt obligations and pay dividends and distributions to security holders. If any principal payments due at maturity cannot be repaid, refinanced or extended, our cash flow will not be sufficient to repay maturing or accelerated debt.

Financial covenants could adversely affect our ability to conduct our business.

The mortgages and mezzanine loans on our properties generally contain customary negative covenants that limit our ability to further mortgage the properties, to enter into material leases without lender consent or materially modify existing leases, among other things. In addition, our 2017 credit facility and senior unsecured notes contain restrictions and requirements on our method of operations. Our 2017 credit facility and our unsecured notes also require us to maintain designated ratios, including but not limited to, total debt-to-assets, debt service coverage and unencumbered assets-to-unsecured debt. These restrictions could adversely affect operations (including reducing our flexibility and our ability to incur additional debt), our ability to pay debt obligations and our ability to pay dividends and distributions to security holders.

Rising interest rates could adversely affect our cash flow.

Advances under our 2017 credit facility and certain property-level mortgage debt bear interest at a variable rate. Our consolidated variable rate borrowings totaled $1.6 billion at December 31, 2017. In addition, we could increase the amount of our outstanding variable rate debt in the future, in part by borrowing additional amounts under our 2017 credit facility. Borrowings under our revolving credit facility and term loans bore interest at the 30-day LIBOR, plus spreads of 100 basis points, 110 basis points, and 165 basis points, respectively, at December 31, 2017. As of December 31, 2017, borrowings under our term loans and junior subordinated deferrable interest debentures totaled $1.5 billion and $100.0 million, respectively. We may incur indebtedness in the future that also bears interest at a variable rate or may be required to refinance our debt at higher rates. At December 31, 2017, a hypothetical 100 basis point increase in interest rates across each of our variable interest rate instruments, including our variable rate debt and preferred equity investments which mitigate our exposure to interest rate changes, would increase our net

annual interest costs by $2.7 million and would increase our share of joint venture annual interest costs by $17.2 million. Our joint ventures may also incur variable rate debt and face similar risks. Accordingly, increases in interest rates could adversely affect our results of operations and financial conditions and our ability to continue to pay dividends and distributions to security holders.

Failure to hedge effectively against interest rate changes may adversely affect results of operations.

The interest rate hedge instruments we use to manage some of our exposure to interest rate volatility involve risk and counterparties may fail to honor their obligations under these arrangements. In addition, these arrangements may not be effective in reducing our exposure to interest rate changes and when existing interest rate hedges terminate, we may incur increased costs in putting in place further interest rate hedges. Failure to hedge effectively against interest rate changes may adversely affect our results of operations.

Increases in our level of indebtedness could adversely affect our stock price.

Our organizational documents do not contain any limitation on the amount of indebtedness we may incur. As of December 31, 2017, assuming the conversion of all outstanding units of the Operating Partnership into shares of our common stock, our combined debt-to-market capitalization ratio, including our share of joint venture debt, was 49.4%. Our market capitalization is variable and does not necessarily reflect the fair market value of our assets at all times. We also consider factors other than market capitalization in making decisions regarding the incurrence of indebtedness, such as the purchase price of properties to be acquired with debt financing, the estimated market value of our properties upon refinancing and the ability of particular properties and our business as a whole to generate cash flow to cover expected debt service. Any changes that increase our debt-to-market capitalization percentage could be viewed negatively by investors. As a result, our stock price could decrease.

A downgrade in our credit ratings could materially adversely affect our business and financial condition.

Our credit rating and the credit ratings assigned to our debt securities and our preferred stock could change based upon, among other things, our results of operations and financial condition. These ratings are subject to ongoing evaluation by credit rating agencies, and any rating could be changed or withdrawn by a rating agency in the future if, in its judgment, circumstances warrant such action. Moreover, these credit ratings are not recommendations to buy, sell or hold our common stock or any other securities. If any of the credit rating agencies that have rated our securities downgrades or lowers its credit rating, or if any credit rating agency indicates that it has placed any such rating on a “watch list” for a possible downgrading or lowering, or otherwise indicates that its outlook for that rating is negative, such action could have a material adverse effect on our costs and availability of funding, which could in turn have a material adverse effect on our financial condition, results of operations, cash flows, the trading price of our securities and our ability to satisfy our debt service obligations and to pay dividends and distributions to security holders.

Debt and preferred equity investments could cause us to incur expenses, which could adversely affect our results of operations.

We held first mortgages, mezzanine loans, junior participations and preferred equity interests with an aggregate net book value of $2.3 billion at December 31, 2017. Some of these instruments may be recourse to their sponsors, while others are limited to the collateral securing the loan. In the event of a default under these obligations, we may have to take possession of the collateral securing these interests. Borrowers may contest enforcement of foreclosure or other remedies, seek bankruptcy protection against such enforcement and/or bring claims for lender liability in response to actions to enforce their obligations to us. Declines in the value of the property may prevent us from realizing an amount equal to our investment upon foreclosure or realization even if we make substantial improvements or repairs to the underlying real estate in order to maximize such property's investment potential. In addition, we may invest in mortgage-backed securities and other marketable securities.

We maintain and regularly evaluate the need for reserves to protect against potential future losses. Our reserves reflect management's judgment of the probability and severity of losses and the value of the underlying collateral. We cannot be certain that our judgment will prove to be correct and that our reserves will be adequate over time to protect against future losses because of unanticipated adverse changes in the economy or events adversely affecting specific properties, assets, tenants, borrowers, industries in which our tenants and borrowers operate or markets in which our tenants and borrowers or their properties are located. As of December 31, 2017, we had no recorded reserves for possible credit losses. If our reserves for credit losses prove inadequate, we could suffer losses which would have a material adverse effect on our financial performance, the market prices of our securities and our ability to pay dividends and distributions to security holders.

Joint investments could be adversely affected by our lack of sole decision-making authority and reliance upon a co-venturer's financial condition.

We co-invest with third parties through partnerships, joint ventures, co-tenancies or other structures, and by acquiring non-controlling interests in, or sharing responsibility for managing the affairs of, a property, partnership, joint venture, co-tenancy or other entity. Therefore, we may not be in a position to exercise sole decision-making authority regarding such property, partnership, joint venture or other entity. Investments in partnerships, joint ventures, or other entities may involve risks not present were a third

party not involved, including the possibility that our partners, co-tenants or co-venturers might become bankrupt or otherwise fail to fund their share of required capital contributions. Additionally, our partners or co-venturers might at any time have economic or other business interests or goals which are competitive or inconsistent with our business interests or goals. These investments may also have the potential risk of impasses on decisions such as a sale, because neither we, nor the partner, co-tenant or co-venturer would have full control over the partnership or joint venture. In addition, we may in specific circumstances be liable for the actions of our third-party partners, co-tenants or co-venturers. As of December 31, 2017, we had an aggregate cost basis in these joint ventures totaling $2.4 billion.

Certain of our joint venture agreements contain terms in favor of our partners that could have an adverse effect on the value of our investments in the joint ventures.

Each of our joint venture agreements has been individually negotiated with our partner in the joint venture and, in some cases, we have agreed to terms that are more favorable to our partner in the joint venture than to us. For example, our partner may be entitled to a specified portion of the profits of the joint venture before we are entitled to any portion of such profits. We may also enter into similar arrangements in the future. These rights may permit our partner in a particular joint venture to obtain a greater benefit from the value or profits of the joint venture than us, which could have an adverse effect on the value of our investment in the joint venture and on our financial condition and results of operations.

We may incur costs to comply with governmental laws and regulations.

We are subject to various federal, state and local environmental and health and safety laws that can impose liability on current and former property owners or operators for the clean-up of certain hazardous substances released on a property or of contamination at any facility (e.g., a landfill) to which we have sent hazardous substances for treatment or disposal, without regard to fault or whether the release or disposal was in compliance with law. Being held responsible for such a clean-up could result in significant cost to us and have a material adverse effect on our financial condition and results of operations.

Our properties may be subject to risks relating to current or future laws, including laws benefiting disabled persons, such as the Americans with Disabilities Act, or ADA, and state or local zoning, construction or other regulations. Compliance with such laws may require significant property modifications in the future, which could be costly and non-compliance could result in fines being levied against us in the future. Such costs could have an adverse impact on our cash flows and ability to pay dividends to stockholders.

Our charter documents, debt instruments and applicable law may hinder any attempt to acquire us, which could discourage takeover attempts and prevent our stockholders from receiving a premium over the market price of our stock.

Provisions of our charter and bylaws could inhibit changes in control.

A change of control of our company could benefit stockholders by providing them with a premium over the then-prevailing market price of our stock. However, provisions contained in our charter and bylaws may delay or prevent a change in control of our company. These provisions, discussed more fully below, are:

- staggered board of directors;
- ownership limitations; and
- the board of directors' ability to issue additional common stock and preferred stock without stockholder approval.

Our board of directors is currently staggered into three separate classes.

Our board of directors is currently divided into three classes, with directors in each such class serving staggered three year terms. The terms of the class I, class II and class III directors expire in 2018, 2019 and 2020, respectively. Our staggered board may deter a change in control because of the increased time period necessary for a third-party to acquire control of the board.

However, at our 2017 Annual Meeting of Stockholders, held on June 1, 2017, our stockholders voted to declassify the board of directors. Beginning with the 2018 Annual Meeting of Stockholders, our board of directors will be elected for terms ending at the next annual meeting of stockholders following their election (rather than the third annual meeting following their election) and until their successors are duly elected and qualify. By the 2020 Annual Meeting of Stockholders, our board of directors will be fully declassified.

We have a stock ownership limit.

To remain qualified as a REIT for federal income tax purposes, not more than 50% in value of our outstanding capital stock may be owned by five or fewer individuals at any time during the last half of any taxable year. For this purpose, stock may be "owned" directly, as well as indirectly under certain constructive ownership rules, including, for example, rules that attribute stock held by one shareholder to another shareholder. In part to avoid violating this rule regarding stock ownership limitations and maintain our REIT qualification, our charter prohibits ownership by any single stockholder of more than 9.0% in value or number of shares of our common stock. Limitations on the ownership of preferred stock may also be imposed by us.

Our board of directors has the discretion to raise or waive this limitation on ownership for any stockholder if deemed to be in our best interest. Our board of directors has granted such waivers from time to time. To obtain a waiver, a stockholder must present the board and our tax counsel with evidence that ownership in excess of this limit will not affect our present or future REIT status.

Absent any exemption or waiver, stock acquired or held in excess of the limit on ownership will be transferred to a trust for the exclusive benefit of a designated charitable beneficiary, and the stockholder's rights to distributions and to vote would terminate. The stockholder would be entitled to receive, from the proceeds of any subsequent sale of the shares transferred to the charitable trust, the lesser of: the price paid for the stock or, if the owner did not pay for the stock, the market price of the stock on the date of the event causing the stock to be transferred to the charitable trust; and the amount realized from the sale.

This limitation on ownership of stock could delay or prevent a change in control of our company.

Maryland takeover statutes may prevent a change of control of our company, which could depress our stock price.

Under the Maryland General Corporation Law, or the MGCL, "business combinations" between a Maryland corporation and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include a merger, consolidation, stock exchange or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested stockholder is defined as:

- any person who beneficially owns 10% or more of the voting power of the corporation's outstanding voting stock; or
- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then outstanding voting stock of the corporation.

A person is not an interested stockholder under the statute if the board of directors approves in advance the transaction by which he otherwise would have become an interested stockholder.

After the five-year prohibition, any business combination between the Maryland corporation and an interested stockholder generally must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least:

- 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation, voting together as a single group; and
- two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

The business combination statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer, including potential acquisitions that might involve a premium price for our common stock or otherwise be in the best interest of our stockholders.

In addition, Maryland law provides that holders of "control shares" of a Maryland corporation acquired in a "control share acquisition" will not have voting rights with respect to the control shares except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter, excluding shares of stock owned by the acquiror, by officers of the corporation or by directors who are employees of the corporation, under the Maryland Control Share Acquisition Act. "Control shares" means voting shares of stock that, if aggregated with all other shares of stock owned by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting power: (i) one-tenth or more but less than one-third; (ii) one-third or more but less than a majority; or (iii) a majority or more of all voting power. A "control share acquisition" means the acquisition of ownership of, or the power to direct the exercise of voting power with respect to, issued and outstanding control shares, subject to certain exceptions.

We have opted out of these provisions of the MGCL, with respect to business combinations and control share acquisitions, by resolution of our board of directors and a provision in our bylaws, respectively. However, in the future, our board of directors may reverse its decision by resolution and elect to opt in to the MGCL's business combination provisions, or amend our bylaws and elect to opt in to the MGCL's control share provisions.

Additionally, the MGCL permits our board of directors, without stockholder approval and regardless of what is provided in our charter or bylaws, to implement takeover defenses, some of which have not been implemented by our board of directors. Such takeover defenses, if implemented, may have the effect of inhibiting a third party from making us an acquisition proposal or of delaying, deferring or preventing a change in our control under circumstances that otherwise could provide our stockholders with an opportunity to realize a premium over the then-current market price.

Contractual provisions that limit the assumption of certain of our debt may prevent a change in control.

Certain of our consolidated debt is not assumable and may be subject to significant prepayment penalties. These limitations could deter a change in control of our company.

Compliance with changing or new regulations applicable to corporate governance and public disclosure may result in additional expenses, or affect our operations.

Changing or new laws, regulations and standards relating to corporate governance and public disclosure, including SEC regulations and NYSE rules, can create uncertainty for public companies. These changed or new laws, regulations and standards are subject to varying interpretations in many cases due to their lack of specificity. As a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies, which could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We are committed to maintaining high standards of corporate governance and public disclosure. If our efforts to comply with new or changed laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to practice, our reputation may be harmed.

Our efforts to comply with evolving laws, regulations and standards have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. In particular, our continued efforts to comply with Section 404 of the Sarbanes-Oxley Act of 2002 and the related regulations regarding our required assessment of our internal controls over financial reporting and our external auditors' audit of that assessment have required the commitment of significant financial and managerial resources. We expect these efforts to require the continued commitment of significant resources. Further, our directors, chief executive officer and chief financial officer could face an increased risk of personal liability in connection with the performance of their duties. As a result, we may have difficulty attracting and retaining qualified directors and executive officers, which could harm our business.

Future issuances of common stock, preferred stock and convertible debt could dilute existing stockholders' interests.

Our charter authorizes its board of directors to issue additional shares of common stock, preferred stock and convertible equity or debt without stockholder approval and without the requirement to offer rights of pre-emption to existing stockholders. Any such issuance could dilute our existing stockholders' interests. Also, any future series of preferred stock may have voting provisions that could delay or prevent a change of control of our company.

Changes in market conditions could adversely affect the market price of our common stock.

As with other publicly traded equity securities, the value of our common stock depends on various market conditions, which may change from time to time. In addition to the current economic environment and future volatility in the securities and credit markets, the following market conditions may affect the value of our common stock:

- the general reputation of REITs and the attractiveness of our equity securities in comparison to other equity securities, including securities issued by other real estate-based companies;
- our financial performance; and
- general stock and bond market conditions.

The market value of our common stock is based on a number of factors including, but not limited to, the market's perception of the current and future value of our assets, our growth potential and our current and potential future earnings and cash dividends. Consequently, our common stock may trade at prices that are higher or lower than our net asset value per share of common stock.

The trading price of our common stock has been and may continue to be subject to wide fluctuations.

Between January 1, 2017 and December 31, 2017, the closing sale price of our common stock on the New York Stock Exchange, or the NYSE, ranged from $94.15 to $113.75 per share. On February 22, 2018, the closing sale price of our common stock on the NYSE was $95.91. Our stock price may fluctuate in response to a number of events and factors, such as those described elsewhere in this "Risk Factors" section. Additionally, the amount of our leverage may hinder the demand for our common stock, which could have a material adverse effect on the market price of our common stock. Equity issuances or buybacks by us or the perception that such issuances or buybacks may occur may also affect the market price of our common stock.

We may in the future pay taxable dividends on our common stock in common stock and cash.

In order to qualify as a REIT, we are required to annually distribute to our stockholders at least 90% of our REIT taxable income, excluding net capital gain. In order to avoid taxation of our income, we are required to annually distribute to our stockholders all of our taxable income, including net capital gain. In order to satisfy these requirements, we may make distributions that are payable partly in cash and partly in shares of our common stock. If we pay such a dividend, taxable stockholders would be required to include the entire amount of the dividend, including the portion paid with shares of common stock, as income to the extent of

our current and accumulated earnings and profits, and may be required to pay income taxes with respect to such dividends in excess of the cash dividends received.

We are dependent on external sources of capital.

We need a substantial amount of capital to operate and grow our business. This need is exacerbated by the distribution requirements imposed on us for SL Green to qualify as a REIT. We therefore rely on third-party sources of capital, which may not be available on favorable terms or at all. Our access to third-party sources of capital depends on a number of things, including the market's perception of our growth potential and our current and potential future earnings. In addition, we anticipate raising money in the public equity and debt markets with some regularity and our ability to do so will depend upon the general conditions prevailing in these markets. At any time, conditions may exist which effectively prevent us, or REITs in general, from accessing these markets. Moreover, additional equity offerings may result in substantial dilution of our stockholders' interests, and additional debt financing may substantially increase our leverage.

Our property taxes could increase due to reassessment or property tax rate changes.

We are required to pay real property taxes in respect of our properties and such taxes may increase as our properties are reassessed by taxing authorities or as property tax rates change. An increase in the assessed value of our properties or our property tax rates could adversely impact our financial condition, results of operations and our ability to satisfy our debt service obligations and to pay dividends and distributions to our security holders.

We face potential conflicts of interest.

There are potential conflicts of interest between us and Stephen L. Green.

There is a potential conflict of interest relating to the disposition of certain property contributed to us by Stephen L. Green, and affiliated entities in our initial public offering. Mr. Green serves as the chairman of our board of directors and is an executive officer. If we sell a property in a transaction in which a taxable gain is recognized, for tax purposes the built-in gain would be allocated solely to him and not to us. As a result, Mr. Green has a conflict of interest if the sale of a property he contributed is in our best interest but not his.

In addition, Mr. Green's tax basis includes his share of debt, including mortgage indebtedness, owed by the Operating Partnership. If the Operating Partnership were to retire such debt, then he would experience a decrease in his share of liabilities, which, for tax purposes, would be treated as a distribution of cash to him. To the extent the deemed distribution of cash exceeded his tax basis, he would recognize gain. As a result, Mr. Green has a conflict of interest if the refinancing of indebtedness is in our best interest but not his.

Members of management may have a conflict of interest over whether to enforce terms of agreements with entities which Mr. Green, directly or indirectly, has an affiliation.

Alliance Building Services, or Alliance, and its affiliates are partially owned by Gary Green, a son of Stephen L. Green, the chairman of our board of directors, and provide services to certain properties owned by us. Alliance’s affiliates include First Quality Maintenance, L.P., or First Quality, Classic Security LLC, Bright Star Couriers LLC and Onyx Restoration Works, and provide cleaning, extermination, security, messenger, and restoration services, respectively. In addition, First Quality has the non-exclusive opportunity to provide cleaning and related services to individual tenants at our properties on a basis separately negotiated with any tenant seeking such additional services. The Service Corporation has entered into an arrangement with Alliance whereby it will receive a profit participation above a certain threshold for services provided by Alliance to certain tenants at certain buildings above the base services specified in their lease agreements.

Our company and our tenants accounted for 24.72% of Alliance's 2017 estimated total revenue, based on information provided to us by Alliance. While we believe that the contracts pursuant to which these services are provided were the result of arm's length negotiations, there can be no assurance that the terms of such agreements, or dealings between the parties during the performance of such agreements, will be as favorable to us as those which could be obtained from unaffiliated third parties providing comparable services under similar circumstances.

SL Green's failure to qualify as a REIT would be costly and would have a significant effect on the value of our securities.

We believe we have operated in a manner for SL Green to qualify as a REIT for federal income tax purposes and intend to continue to so operate. Many of the REIT compliance requirements, however, are highly technical and complex. The determination that SL Green is a REIT requires an analysis of factual matters and circumstances. These matters, some of which are not totally within our control, can affect SL Green's qualification as a REIT. For example, to qualify as a REIT, at least 95% of our gross income must come from designated sources that are listed in the REIT tax laws. We are also required to distribute to stockholders at least 90% of our REIT taxable income excluding capital gains. The fact that we hold our assets through the Operating Partnership and its subsidiaries further complicates the application of the REIT requirements. Even a technical or inadvertent mistake could

jeopardize our REIT status. Furthermore, Congress and the Internal Revenue Service, or the IRS, might make changes to the tax laws and regulations that make it more difficult, or impossible, for us to remain qualified as a REIT.

If SL Green fails to qualify as a REIT, the funds available for distribution to our stockholders would be substantially reduced as we would not be allowed a deduction for dividends paid to our stockholders in computing our taxable income and would be subject to federal income tax at regular corporate rates and we could be subject to the federal alternative minimum tax and possibly increased state and local taxes.

Also, unless the IRS grants us relief under specific statutory provisions, SL Green would remain disqualified as a REIT for four years following the year in which SL Green first failed to qualify. If SL Green failed to qualify as a REIT, SL Green would have to pay significant income taxes and would therefore have less money available for investments, to service debt obligations or to pay dividends and distributions to security holders. This would have a significant adverse effect on the value of our securities. In addition, the REIT tax laws would no longer obligate us to make any distributions to stockholders. As a result of all these factors, if SL Green fails to qualify as a REIT, this could impair our ability to expand our business and raise capital

Changes to U.S. federal income tax laws could materially and adversely affect us and our stockholders.

The recently enacted Tax Cuts and Jobs Act (the ‘‘Tax Act’’) makes substantial changes to the Code. Among those changes are a significant permanent reduction in the generally applicable corporate tax rate, changes in the taxation of individuals and other non-corporate taxpayers that generally but not universally reduce their taxes on a temporary basis subject to ‘‘sunset’’ provisions, the elimination or modification of various currently allowed deductions (including substantial limitations on the deductibility of interest and, in the case of individuals, the deduction for personal state and local taxes), and preferential rates of taxation on most ordinary REIT dividends and certain business income derived by non-corporate taxpayers in comparison to other ordinary income recognized by such taxpayers. The Tax Act also imposes certain additional limitations on the deduction of net operating losses, which may in the future cause us to be required to make distributions that will be taxable to our stockholders to the extent of our current or accumulated earnings and profits in order to comply with the annual REIT distribution requirements. The effect of these, and the many other, changes made in the Tax Act is highly uncertain, both in terms of their direct effect on the taxation of an investment in our common stock and their indirect effect on the value of our assets or market conditions generally. Furthermore, many of the provisions of the Tax Act will require guidance through the issuance of Treasury regulations in order to assess their effect. There may be a substantial delay before such regulations are promulgated, increasing the uncertainty as to the ultimate effect of the statutory amendments on us. It is also likely that there will be technical corrections legislation proposed with respect to the Act this year, the effect of which cannot be predicted and may be adverse to us or our stockholders.

Additionally, the rules dealing with U.S. federal income taxation are continually under review by Congress, the IRS, and the U.S. Department of the Treasury. Any such changes could have an adverse effect on an investment in our shares or on the market value or the resale potential of our assets.

Loss of our key personnel could harm our operations and our stock price.

We are dependent on the efforts of Marc Holliday, our chief executive officer, and Andrew W. Mathias, our president. These officers have employment agreements which expire in January 2019 and December 2018, respectively. A loss of the services of either of these individuals could adversely affect our operations and could be negatively perceived by the market resulting in a decrease in our stock price.

Our business and operations would suffer in the event of system failures or cyber security attacks.

Despite system redundancy, the implementation of security measures and the existence of a disaster recovery plan for our internal information technology systems, our systems are vulnerable to a number of risks including energy blackouts, natural disasters, terrorism, war, telecommunication failures and cyber attacks and intrusions, such as computer viruses, malware, attachments to e-mails, intrusion and unauthorized access, including from persons inside our organization or from persons outside our organization with access to our systems. The risk of a security breach or disruption, particularly through cyber attacks and intrusions, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and instructions from around the world have increased. Our systems are critical to the operation of our business and any system failure, accident or security breach that causes interruptions in our operations could result in a material disruption to our business. We may also incur additional costs to remedy damages caused by such disruptions. Although we make efforts to maintain the security and integrity of our systems and have implemented various measures to manage the risk of a security breach or disruption, there can be no assurance that our security efforts and measures will be effective or that attempted security breaches or disruptions would not be successful or damaging. Any compromise of our security could also result in a violation of applicable privacy and other laws, significant legal and financial exposure, damage to our reputation, loss or misuse of the information (which may be confidential, proprietary and/or commercially sensitive in nature) and a loss of confidence in our security measures, which could harm our business.

Forward-looking statements may prove inaccurate.

See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Forward-looking Information," for additional disclosure regarding forward-looking statements.

ITEM 1B. UNRESOLVED STAFF COMMENTS

As of December 31, 2017, we did not have any unresolved comments with the staff of the SEC.

ITEM 2. PROPERTIES

Our Portfolio

General

As of December 31, 2017, we owned or held interests in 23 consolidated commercial office buildings encompassing approximately 14.3 million rentable square feet and nine unconsolidated commercial office buildings encompassing approximately 10.4 million rentable square feet located primarily in midtown Manhattan. Many of these buildings include some amount of retail space on the lower floors, as well as basement/storage space. As of December 31, 2017, our portfolio also included ownership interests in 20 consolidated commercial office buildings encompassing approximately 3.0 million rentable square feet and two unconsolidated commercial office buildings encompassing approximately 640,000 rentable square feet located outside of Manhattan. We refer to these buildings as our Suburban properties. Some of these buildings also include a small amount of retail space on the lower floors, as well as basement/storage space.

As of December 31, 2017, we also owned investments in 14 prime retail properties encompassing approximately 702,553 square feet, thirteen buildings in some stage of development or redevelopment encompassing approximately 930,499 square feet, 15 residential buildings encompassing 3,554 units (approximately 3,128,961 square feet) and two land interests under building improvements that are leased to a third party, encompassing approximately 176,530 square feet. In addition, we manage one office building owned by a third party encompassing approximately 336,000 square feet and held debt and preferred equity investments with a book value of $2.3 billion including $0.2 billion of investments recorded in balance sheet line items other than the Debt and Preferred Equity Investments line item.

The following tables set forth certain information with respect to each of the Manhattan and Suburban office, prime retail, residential, development and redevelopment properties and land interest in the portfolio as of December 31, 2017:

Manhattan Properties	Year Built/ Renovated	SubMarket	Approximate Rentable Square Feet	Percent of Portfolio Rentable Square Feet	Percent Occupied (1)	Annualized Cash Rent (2)	Percent of Portfolio Annualized Cash Rent (3)	Number of Tenants	Annualized Cash Rent per Leased Square Foot (4)
CONSOLIDATED OFFICE PROPERTIES									
"Same Store"									
100 Church Street	1959/2010	Downtown	1,047,500	3.7%	99.6%	$ 43,580,454	3.3%	18	$ 39.78
110 East 42nd Street	1921	Grand Central	215,400	0.8	74.0	9,076,176	0.7	22	56.92
125 Park Avenue	1923/2006	Grand Central	604,245	2.1	99.6	41,455,375	3.1	26	65.22
220 East 42nd Street	1929	Grand Central	1,135,000	4.0	60.7	39,689,240	3.0	31	55.74
304 Park Avenue South	1930	Midtown South	215,000	0.8	100.0	15,793,271	1.2	12	74.29
420 Lexington Ave (Graybar)	1927/1999	Grand Central North	1,188,000	4.2	95.3	79,973,361	6.0	203	57.83
461 Fifth Avenue (5)	1988	Midtown	200,000	0.7	96.6	18,244,987	1.4	9	90.91
485 Lexington Avenue	1956/2006	Grand Central North	921,000	3.2	68.2	46,056,664	3.4	26	72.16
555 West 57th Street	1971	Midtown West	941,000	3.3	99.9	41,998,657	3.1	9	41.10
609 Fifth Avenue	1925/1990	Rockefeller Center	160,000	0.6	67.8	15,124,408	1.1	11	136.80
625 Madison Avenue	1956/2002	Plaza District	563,000	2.0	98.8	61,526,979	4.6	25	106.60
635 Sixth Avenue	1902	Midtown South	104,000	0.4	100.0	9,342,629	0.7	2	99.08
641 Sixth Avenue	1902	Midtown South	163,000	0.6	100.0	14,268,905	1.1	6	84.13
711 Third Avenue—50.00%(6)	1955	Grand Central North	524,000	1.8	86.2	30,998,203	2.3	18	60.68
750 Third Avenue	1958/2006	Grand Central North	780,000	2.7	98.8	48,691,192	3.6	29	60.25
810 Seventh Avenue	1970	Times Square	692,000	2.4	97.9	48,572,282	3.6	50	67.09
919 Third Avenue—51.00%	1970	Grand Central North	1,454,000	5.1	100.0	98,500,512	3.8	9	65.79
1185 Avenue of the Americas	1969	Rockefeller Center	1,062,000	3.7	98.1	94,475,380	7.1	15	88.34
1350 Avenue of the Americas	1966	Rockefeller Center	562,000	2.0	90.0	41,108,087	3.1	34	77.39
1 Madison Avenue	1960/2002	Park Avenue South	1,176,900	4.1	100.0	74,847,881	5.6	2	63.23
Added to Same Store in 2017									

Manhattan Properties	Year Built/ Renovated	SubMarket	Approximate Rentable Square Feet	Percent of Portfolio Rentable Square Feet	Percent Occupied (1)		Annualized Cash Rent (2)	Percent of Portfolio Annualized Cash Rent (3)	Number of Tenants		Annualized Cash Rent per Leased Square Foot (4)
30 East 40th Street—60.00%	1927	Grand Central South	69,446	0.2%	91.4%		4,632,444	0.2%	54		71.21
110 Greene Street—90.00%	1908/1920	Soho	223,600	0.8	76.5		11,606,808	0.8	58		79.79
600 Lexington Avenue	1983/2009	Grand Central North	303,515	1.1	90.7		21,196,477	1.6	31		77.79
Subtotal / Weighted Average			**14,304,606**	**50.3%**	**91.7%**	**$**	**910,760,372**	**64.3%**	**700**		
Total / Weighted Average Manhattan Consolidated Office Properties			**14,304,606**	**50.3%**	**91.7%**	**$**	**910,760,372**	**64.3%**	**700**		
UNCONSOLIDATED OFFICE PROPERTIES											
"Same Store"											
3 Columbus Circle—48.90%	1927/2010	Columbus Circle	530,981	1.9%	91.1%	$	45,971,004	1.7%	32	$	95.79
100 Park Avenue—50.00%	1950/1980	Grand Central South	834,000	2.9	93.4		64,675,661	2.4	38		76.81
521 Fifth Avenue—50.50%	1929/2000	Grand Central	460,000	1.6	90.2		29,572,060	1.1	43		66.80
800 Third Avenue—60.50%	1972/2006	Grand Central North	526,000	1.8	95.0		35,470,586	1.6	42		66.09
1745 Broadway—56.88%	2003	Midtown	674,000	2.4	100.0		45,633,156	1.9	1		70.79
Added to Same Store in 2017											
280 Park Avenue—50.00%	1961	Park Avenue	1,219,158	4.3	93.0		119,310,708	4.5	38		99.95
Subtotal / Weighted Average			**4,244,139**	**14.9%**	**93.9%**	**$**	**340,633,175**	**13.2%**	**194**		
"Non Same Store"											
11 Madison Avenue—60.00%	1929	Park Avenue South	2,314,000	8.1%	100.0%	$	158,248,890	7.1%	9	$	69.38
1515 Broadway—69.87%	1972	Times Square	1,750,000	6.1	98.4		133,683,884	7.0	13		72.87
World Wide Plaza—24.35%	1989/2013	Westside	2,048,725	7.2	98.5		131,945,964	2.4	28		65.45
Subtotal / Weighted Average			**6,112,725**	**21.4%**	**99.0%**	**$**	**423,878,738**	**16.5%**	**50**		
Total / Weighted Average Unconsolidated Office Properties			**10,356,864**	**36.3%**	**96.9%**	**$**	**764,511,913**	**29.7%**	**244**		
Manhattan Office Grand Total / Weighted Average			**24,661,470**	**86.6%**	**93.9%**	**$**	**1,675,272,285**	**94.0%**	**944**		
Manhattan Office Grand Total—SLG share of Annualized Rent						**$**	**1,256,961,098**	**94.0%**			
Manhattan Office Same Store Occupancy %—Combined			**18,548,745**	**75.2%**	**92.2%**						

Suburban Properties	Year Built/ Renovated	SubMarket	Approximate Rentable Square Feet	Percent of Portfolio Rentable Square Feet	Percent Occupied (1)	Annualized Cash Rent (2)	Percent of Portfolio Annualized Cash Rent (3)	Number of Tenants	Annualized Cash Rent per Leased Square Foot (4)
CONSOLIDATED OFFICE PROPERTIES									
"Same Store" Westchester, NY									
1100 King Street	1983-1986	Rye Brook, Westchester	540,000	1.9%	70.9%	$ 9,746,073	0.7%	35	$ 26.48
115-117 Stevens Avenue	1984	Valhalla, Westchester	178,000	0.6	67.3%	2,285,316	0.2	12	23.16
100 Summit Lake Drive	1988	Valhalla, Westchester	250,000	0.9	92.2%	5,872,032	0.4	13	25.91
200 Summit Lake Drive	1990	Valhalla, Westchester	245,000	0.9	87.5%	5,508,464	0.4	8	26.53
500 Summit Lake Drive	1986	Valhalla, Westchester	228,000	0.8	100.0%	6,032,268	0.5	8	28.21
360 Hamilton Avenue	2000	White Plains, Westchester	384,000	1.3	99.3%	14,989,967	1.1	22	39.40
Westchester, NY Subtotal/Weighted Average			**1,825,000**	**6.4%**	**85.3%**	**$ 44,434,120**	**3.3%**	**98**	
"Same Store" Connecticut									
Landmark Square	1973-1984	Stamford, Connecticut	862,800	3.0%	90.5%	$ 23,284,467	1.8%	125	$ 35.22
1055 Washington Boulevard	1987	Stamford, Connecticut	182,000	0.6	80.9	5,526,636	0.4	21	36.36
1010 Washington Boulevard	1988	Stamford, Connecticut	143,400	0.5	94.6	4,613,187	0.3	27	32.77
Connecticut Subtotal/Weighted Average			**1,188,200**	**4.1%**	**89.5%**	**$ 33,424,290**	**2.5%**	**173**	
Total / Weighted Average Consolidated Office Properties			**3,013,200**	**10.5%**	**87.0%**	**$ 77,858,410**	**5.8%**	**271**	
UNCONSOLIDATED OFFICE PROPERTIES									
"Non Same Store"									
Jericho Plaza—11.67%	1980	Jericho, New York	640,000	2.2%	70.3%	$ 15,894,888	0.1%	32	$ 36.33
Total / Weighted Average Unconsolidated Office Properties			**640,000**	**2.2%**	**70.3%**	**$ 15,894,888**	**0.1%**	**32**	
Suburban Grand Total / Weighted Average			**3,653,200**	**12.7%**	**84.0%**	**$ 93,753,298**		**303**	
Suburban Office Grand Total—SLG share of Annualized Rent						**$ 79,713,343**	**5.9%**		
Suburban Office Same Store Occupancy %—Combined			**3,013,200**	**82.5%**	**87.0%**				
Portfolio Office Grand Total			**28,314,670**	**100.0%**		**$ 1,769,025,583**		**1,220**	
Portfolio Office Grand Total—SLG Share of Annualized Rent						**$ 1,336,674,441**	**100.0%**		

	Year Built/ Renovated	SubMarket	Approximate Rentable Square Feet	Percent of Portfolio Rentable Square Feet	Percent Occupied (1)	Annualized Cash Rent (2)	Percent of Portfolio Annualized Cash Rent (3)	Number of Tenants	Annualized Cash Rent per Leased Square Foot (4)
PRIME RETAIL									
"Same Store" Prime Retail									
11 West 34th Street—30.00%	1920/2010	Herald Square/Penn Station	17,150	2.4%	100.0%	$ 2,837,719	1.2%	1	$ 254.50
21 East 66th Street—32.28%	1921	Plaza District	13,069	1.9	100.0	3,844,536	1.7	1	294.17
121 Greene Street—50.00%	1887	Soho	7,131	1.0	100.0	1,523,544	1.0	2	213.65
315 West 33rd Street—The Olivia	2000	Penn Station	270,132	38.5	100.0	17,179,582	23.6	10	62.42
717 Fifth Avenue—10.92%	1958/2000	Midtown/Plaza District	119,550	17.0	100.0	45,574,074	6.9	6	368.47
724 Fifth Avenue—50.00%	1921	Plaza District	65,010	9.3	84.7	24,353,331	16.8	8	421.96
752 Madison Avenue	1996/2012	Plaza District	21,124	3.0	100.0	14,135,652	19.4	1	669.17
762 Madison Avenue—90.00%	1910	Plaza District	6,109	0.9	100.0	1,874,162	2.3	5	278.52
Williamsburg Terrace	2010	Brooklyn, New York	52,000	7.4	100.0	1,796,348	2.5	3	34.52
Added to Same Store in 2017									
131-137 Spring Street—20.00%	1915	SoHo	68,342	9.7	89.6	12,612,958	3.5	8	203.60
Subtotal/Weighted Average			**639,617**	**91.1%**	**97.3%**	**$ 125,731,906**	**78.9%**	**45**	
"Non Same Store" Prime Retail									
115 Spring Street	1900	SoHo	5,218	0.7%	100.0%	$ 2,903,400	4.0%	1	$ 556.42
1552-1560 Broadway—50.00%	1926/2014	Times Square	57,718	8.2	67.5	24,810,708	17.1	2	636.71
Subtotal/Weighted Average			**62,936**	**8.9%**	**70.2%**	**$ 27,714,108**	**21.1%**	**3**	
Total / Weighted Average Prime Retail Properties			**702,553**	**100.0%**	**94.9%**	**$ 153,446,014**	**100.0%**	**48**	
DEVELOPMENT/REDEVELOPMENT									
One Vanderbilt(7)	N/A	Grand Central	—	—%	—%	$ —	—%	—	$ —
10 East 53rd Street— 55.00%	1972/2014	Plaza District	354,300	38.0	77.6	26,292,903	38.5	34	89.76
19-21 East 65th Street	1928-1940	Plaza District	23,610	3.0	17.0	230,954	0.6	8	32.40
5-7 Dey Street, 183 & 187 Broadway	1921	Lower Manhattan	82,700	9.0	—	—	—	—	—
562 Fifth Avenue	1920	Plaza District	42,635	5.0	100.0	2,100,000	5.6	1	49.26
650 Fifth Avenue— 50.00%	1977-1978	Plaza District	69,214	7.0	100.0	33,190,000	44.2	1	479.53
719 Seventh Avenue—75.00%	1927	Times Square	10,040	1.0	—	—	—	—	—
175-225 Third Avenue—95.00%	1972/1998	Brooklyn, New York	—	—	—	—	—	—	—
55 West 46th Street—25.00%	2009	Midtown	347,000	37.0	58.2	16,359,724	10.9	7	93.57
1640 Flatbush Avenue	1966	Brooklyn, New York	1,000	—	100.0	85,152	0.2	1	85.15
Total / Weighted Average Development/Redevelopment Properties			**930,499**	**100.0%**	**63.8%**	**$ 78,258,733**	**100.0%**	**52**	

	Year Built/ Renovated	SubMarket	Approximate Rentable Square Feet	Percent of Portfolio Rentable Square Feet	Percent Occupied (1)	Annualized Cash Rent (2)	Percent of Portfolio Annualized Cash Rent (3)	Number of Tenants	Annualized Cash Rent per Leased Square Foot (4)
LAND									
635 Madison Avenue		Plaza District	176,530	100%	100.0%	$ 3,677,574	100%		
Total / Weighted Average Land			**176,530**	**100%**	**86.8%**	**$ 3,677,574**	**100%**		

		Useable Sq. Feet	Total Units	Percent Occupied (1)	Annualized Cash Rent (2)	Average Monthly Rent Per Unit
RESIDENTIAL						
"Same Store" Residential						
315 West 33rd Street	Penn Station	222,855	333	85.9%	$ 14,242,394	$ 4,164
400 East 57th Street—41.00%	Upper East Side	290,482	259	92.3	11,670,572	3,527
400 East 58th Street—90.00%	Upper East Side	140,000	126	96.8	5,624,243	3,488
1080 Amsterdam - 92.50%	Upper West Side	82,250	97	99.0	4,863,358	3,987
Added to Same Store						
Stonehenge Portfolio		1,439,016	1,536	94.1%	$ 72,473,697	$ 3,596
Subtotal/Weighted Average		**2,174,603**	**2,351**	**93.1%**	**$ 108,874,264**	**$ 3,674**
"Non Same Store" Residential						
Upper East Side Residential—95.10%	Upper East Side	27,000	28	42.9%	$ 641,425	$ 1,167
605 West 42nd Street—20.00%	Midtown West	927,358	1,175	77.6	50,627,885	4,070
Subtotal/Weighted Average		**954,358**	**1,203**	**76.8%**	**$ 51,269,310**	**$ 4,033**
Total / Weighted Average Residential Properties		**3,128,961**	**3,554**	**87.6%**	**$ 160,143,574**	**$ 3,780**

(1) Excludes leases signed but not yet commenced as of December 31, 2017.
(2) Annualized Cash Rent represents the monthly contractual rent under existing leases as of December 31, 2017 multiplied by 12. This amount reflects total rent before any rent abatements and includes expense reimbursements, which may be estimated as of such date. Total rent abatements for leases in effect as of December 31, 2017 for the 12 months ending December 31, 2018 will reduce cash rent by $13.9 million for our consolidated properties and $22.9 million for our unconsolidated properties.
(3) Includes our share of unconsolidated joint venture annualized cash rent.
(4) Annualized Cash Rent Per Leased Square Foot represents Annualized Cash Rent, as described in footnote (1) above, presented on a per leased square foot basis.
(5) The Company has an option to acquire the fee interest for a fixed price on a specific date.
(6) The Company owns 50% of the fee interest.
(7) The 1,730,989 gross square foot project, which is anticipated to be completed by the third quarter of 2020, has a total development budget, including land mark-up, of $3.17 billion excluding fees paid to the Company and up to $50.0 million in discretionary owner contingencies. As of December 31, 2017, $1.97 billion of the budget remains to be spent, comprised of $827.8 million of partners' equity, and $1.14 billion of financing available under the project's construction facility.

Historical Occupancy

Historically we have achieved consistently higher occupancy rates in our Manhattan portfolio as compared to the overall midtown markets, as shown over the last five years in the following table:

	Leased Occupancy Rate of Manhattan Operating Portfolio(1)	Occupancy Rate of Class A Office Properties in the Midtown Markets(2)(3)	Occupancy Rate of Class B Office Properties in the Midtown Markets(2)(3)
December 31, 2017	93.9%	90.5%	90.3%
December 31, 2016	94.9%	90.0%	92.2%
December 31, 2015	94.2%	90.9%	91.3%
December 31, 2014	95.3%	89.4%	91.6%
December 31, 2013	94.3%	88.3%	89.1%

(1) Includes leases signed but not yet commenced as of the relevant date in our wholly-owned and joint venture properties.
(2) Includes vacant space available for direct lease and sublease. Source: Cushman & Wakefield.
(3) The term "Class B" is generally used in the Manhattan office market to describe office properties that are more than 25 years old but that are in good physical condition, enjoy widespread acceptance by high-quality tenants and are situated in desirable locations in Manhattan. Class B office properties can be distinguished from Class A properties in that Class A properties are generally newer properties with higher finishes and frequently obtain the highest rental rates within their markets.

Historically we have achieved consistently higher occupancy rates in our Westchester County and Connecticut portfolios in comparison to the overall Westchester County and Stamford, Connecticut, CBD markets, as shown over the last five years in the following table:

	Leased Occupancy Rate of Westchester Operating Portfolio(1)	Occupancy Rate of Class A Office Properties in the Westchester Market(2)	Percent of Connecticut Portfolio Leased(1)	Occupancy Rate of Class A Office Properties in the Stamford CBD Market(2)
December 31, 2017	85.3%	77.5%	89.5%	73.4%
December 31, 2016	81.9%	75.1%	87.5%	73.7%
December 31, 2015	77.5%	76.0%	84.1%	79.9%
December 31, 2014	78.8%	76.6%	83.6%	75.7%
December 31, 2013	78.1%	79.4%	80.5%	74.7%

(1) Includes leases signed but not yet commenced as of the relevant date in our wholly-owned and joint venture properties.
(2) Includes vacant space available for direct lease and sublease. Source: Cushman & Wakefield.

Lease Expirations

Leases in our Manhattan portfolio, as at many other Manhattan office properties, typically have an initial term of seven to fifteen years, compared to typical lease terms of five to ten years in other large U.S. office markets. For the five years ending December 31, 2022, the average annual lease expirations at our Manhattan consolidated and unconsolidated operating properties is expected to be approximately 1.4 million square feet and approximately 0.3 million square feet, respectively, representing an average annual expiration rate of approximately 10.0% and approximately 3.1%, respectively, per year (assuming no tenants exercise renewal or cancellation options and there are no tenant bankruptcies or other tenant defaults).

The following tables set forth a schedule of the annual lease expirations at our Manhattan consolidated and unconsolidated operating properties, respectively, with respect to leases in place as of December 31, 2017 for each of the next ten years and thereafter (assuming that no tenants exercise renewal or cancellation options and that there are no tenant bankruptcies or other tenant defaults):

Manhattan Consolidated Operating Properties Year of Lease Expiration	Number of Expiring Leases(1)	Square Footage of Expiring Leases	Percentage of Total Leased Square Feet	Annualized Cash Rent of Expiring Leases(2)	Percentage of Annualized Cash Rent of Expiring Leases	Annualized Cash Rent Per Leased Square Foot of Expiring Leases(3)
2018(4)	81	541,157	3.9%	$ 46,020,213	5.1%	$ 85.04
2019	82	1,044,922	7.6	76,410,441	8.4	73.13
2020	98	2,328,968	17.0	154,071,400	17.0	66.15
2021	98	1,786,589	13.0	116,415,234	12.8	65.16
2022	100	1,143,613	8.3	76,759,862	8.5	67.12
2023	48	832,935	6.1	49,899,730	5.5	59.91
2024	31	278,486	2.0	19,641,171	2.2	70.53
2025	32	550,101	4.0	54,587,969	6.0	99.23
2026	29	799,693	5.8	51,742,849	5.7	64.70
2027 & thereafter	112	4,430,805	32.3	260,536,204	28.8	58.80
Total/weighted average	711	13,737,269	100.0%	$ 906,085,073	100.0%	$ 65.96

(1) Tenants may have multiple leases.
(2) Annualized Cash Rent of Expiring Leases represents the monthly contractual rent under existing leases as of December 31, 2017 multiplied by 12. This amount reflects total rent before any rent abatements and includes expense reimbursements, which may be estimated as of such date. Total rent abatements for leases in effect as of December 31, 2017 for the 12 months ending December 31, 2018 will reduce cash rent by $10.6 million for the properties.
(3) Annualized Cash Rent Per Leased Square Foot of Expiring Leases represents Annualized Cash Rent of Expiring Leases, as described in footnote (2) above, presented on a per leased square foot basis.
(4) Includes approximately 10,006 square feet and annualized cash rent of $0.5 million occupied by month-to-month holdover tenants whose leases expired prior to December 31, 2017.

Manhattan Unconsolidated Operating Properties Year of Lease Expiration	Number of Expiring Leases(1)	Square Footage of Expiring Leases	Percentage of Total Leased Square Feet	Annualized Cash Rent of Expiring Leases(2)	Percentage of Annualized Cash Rent of Expiring Leases	Annualized Cash Rent Per Leased Square Foot of Expiring Leases(3)
2018[4]	26	179,321	1.7%	$ 18,386,941	2.4%	$ 102.54
2019	26	441,261	4.3	35,603,350	4.7	80.69
2020	23	311,702	3.0	20,180,982	2.6	64.74
2021	29	369,113	3.6	24,084,040	3.2	65.25
2022	31	289,323	2.8	24,224,560	3.2	83.73
2023	15	468,914	4.6	37,810,443	4.9	80.63
2024	17	990,382	9.6	95,723,469	12.5	96.65
2025	16	591,141	5.8	45,575,954	6.0	77.10
2026	15	432,478	4.2	43,371,726	5.7	100.29
2027 & thereafter	48	6,197,422	60.4	419,550,447	54.8	67.70
Total/weighted average	246	10,271,057	100.0%	$ 764,511,912	100.0%	$ 74.43

(1) Tenants may have multiple leases.

(2) Annualized Cash Rent of Expiring Leases represents the monthly contractual rent under existing leases as of December 31, 2017 multiplied by 12. This amount reflects total rent before any rent abatements and includes expense reimbursements, which may be estimated as of such date. Total rent abatements for leases in effect as of December 31, 2017 for the 12 months ending December 31, 2018 will reduce cash rent by $20.3 million for the joint venture properties.

(3) Annualized Cash Rent Per Leased Square Foot of Expiring Leases represents Annualized Cash Rent of Expiring Leases, as described in footnote (2) above, presented on a per leased square foot basis.

(4) Includes approximately 9,390 square feet and annualized cash rent of $0.8 million occupied by month-to-month holdover tenants whose leases expired prior to December 31, 2017.

Leases in our Suburban portfolio, as at many other suburban office properties, typically have an initial term of five to ten years. For the five years ending December 31, 2022, the average annual lease expirations at our Suburban consolidated and unconsolidated operating properties is expected to be approximately 0.3 million square feet and approximately 0.1 million square feet, respectively, representing an average annual expiration rate of approximately 11.1% per year and approximately 10.5%, respectively, per year (assuming no tenants exercise renewal or cancellation options and there are no tenant bankruptcies or other tenant defaults).

The following tables set forth a schedule of the annual lease expirations at our Suburban consolidated and unconsolidated operating properties, respectively, with respect to leases in place as of December 31, 2017 for each of the next ten years and thereafter (assuming that no tenants exercise renewal or cancellation options and that there are no tenant bankruptcies or other tenant defaults):

Suburban Consolidated Operating Properties Year of Lease Expiration	Number of Expiring Leases(1)	Square Footage of Expiring Leases	Percentage of Total Leased Square Feet	Annualized Cash Rent of Expiring Leases(2)	Percentage of Annualized Cash Rent of Expiring Leases	Annualized Cash Rent Per Leased Square Foot of Expiring Leases(3)
2018(4)	53	258,902	10.6%	$ 8,960,802	11.5%	$ 34.61
2019	37	395,568	16.2	11,387,110	14.6	28.79
2020	46	284,734	11.6	9,905,255	12.7	34.79
2021	32	296,334	12.1	9,716,915	12.5	32.79
2022	28	124,214	5.1	4,579,117	5.9	36.86
2023	24	193,443	7.9	6,604,408	8.5	34.14
2024	6	113,413	4.6	3,220,430	4.1	28.40
2025	10	109,013	4.5	3,434,309	4.4	31.50
2026	15	284,252	11.6	9,523,950	12.2	33.51
2027 & thereafter	21	389,273	15.8	10,526,113	13.6	27.04
Total/weighted average	272	2,449,146	100.0%	$ 77,858,409	100.0%	$ 31.79

(1) Tenants may have multiple leases.
(2) Annualized Cash Rent of Expiring Leases represents the monthly contractual rent under existing leases as of December 31, 2017 multiplied by 12. This amount reflects total rent before any rent abatements and includes expense reimbursements, which may be estimated as of such date. Total rent abatements for leases in effect as of December 31, 2017 for the 12 months ending December 31, 2018 will reduce cash rent by $3.4 million for the properties.
(3) Annualized Cash Rent Per Leased Square Foot of Expiring Leases represents Annualized Cash Rent of Expiring Leases, as described in footnote (2) above, presented on a per leased square foot basis.
(4) Includes approximately 53,994 square feet and annualized cash rent of $2.3 million occupied by month-to-month holdover tenants whose leases expired prior to December 31, 2017.

Suburban Unconsolidated Operating Properties Year of Lease Expiration	Number of Expiring Leases(1)	Square Footage of Expiring Leases	Percentage of Total Leased Square Feet	Annualized Cash Rent of Expiring Leases(2)	Percentage of Annualized Cash Rent of Expiring Leases	Annualized Cash Rent Per Leased Square Foot of Expiring Leases(3)
2018(4)	3	19,684	4.5%	$ 771,937	4.9%	$ 39.22
2019	8	39,354	9.0	1,322,125	8.3	33.60
2020	5	47,964	11.0	1,837,847	11.6	38.32
2021	5	104,296	23.9	4,001,316	25.2	38.37
2022	2	18,012	4.1	658,428	4.1	36.56
2023	3	52,010	11.9	1,956,588	12.3	37.62
2024	2	52,707	12.0	1,860,324	11.7	35.30
2025	1	1,729	0.4	59,040	0.4	34.15
2026	4	88,854	20.3	3,009,736	18.9	33.87
2027 & thereafter	1	12,862	2.9	417,546	2.6	32.46
Total/weighted average	34	437,472	100.0%	$ 15,894,887	100.0%	$ 36.33

(1) Tenants may have multiple leases.
(2) Annualized Cash Rent of Expiring Leases represents the monthly contractual rent under existing leases as of December 31, 2017 multiplied by 12. This amount reflects total rent before any rent abatements and includes expense reimbursements, which may be estimated as of such date. Total rent abatements for leases in effect as of December 31, 2017 for the 12 months ending December 31, 2018 will reduce cash rent by $2.6 million for the joint venture properties.
(3) Annualized Cash Rent Per Leased Square Foot of Expiring Leases represents Annualized Cash Rent of Expiring Leases, as described in footnote (2) above, presented on a per leased square foot basis.
(4) Includes approximately 19,684 square feet and annualized cash rent of $0.8 million occupied by month-to-month holdover tenants whose leases expired prior to December 31, 2017.

Tenant Diversification

At December 31, 2017, our Manhattan and Suburban office properties were leased to 1,220 tenants, which are engaged in a variety of businesses, including professional services, financial services, media, apparel, business services and government/non-profit. The following table sets forth information regarding the leases with respect to the 30 largest tenants in our Manhattan and Suburban office properties, which are not intended to be representative of our tenants as a whole, based on the amount of our share of annualized cash rent as of December 31, 2017:

Tenant	Properties	Lease Expiration	Total Leased Square Feet	Percentage of Aggregate Office Portfolio Leased Square Feet	Percentage of our Share of Aggregate Portfolio Annualized Cash Rent
Credit Suisse Securities (USA), Inc.	1 Madison Avenue, 11 Madison Avenue & 1055 Washington Blvd	2019, 2020 & 2037	2,415,247	8.5%	8.0%
Viacom International, Inc.	1515 Broadway	2028 & 2031	1,479,390	5.2	4.4
Ralph Lauren Corporation	625 Madison Avenue	2019	386,785	1.4	2.0
Sony Corporation	11 Madison Avenue	2031	578,791	2.0	1.8
Penguin Random House, Inc.	1745 Broadway	2020 & 2033	644,598	2.3	1.8
Debevoise & Plimpton, LLP	919 Third Avenue	2021	577,438	2.0	1.6
The City of New York	100 Church Street & 420 Lexington Avenue	2030 & 2034	513,145	1.8	1.2
Advance Magazine Group, Fairchild Publications	750 Third Avenue & 485 Lexington Avenue	2021	339,195	1.2	1.2
Metro-North Commuter Railroad Company	110 East 42nd Street & 420 Lexington Avenue	2021 & 2034	328,957	1.2	1.2
Nike Retail Services, Inc.	650 Fifth Avenue	2033	69,214	0.2	1.1
News America Incorporated	1185 Avenue of the Americas	2020	165,086	0.6	1.1
Giorgio Armani Corporation	717 Fifth Avenue, 752-760 Madison Avenue & 762 Madison Avenue	2022 & 2024	69,328	0.2	1.1
King & Spalding	1185 Avenue of the Americas	2025	159,943	0.6	1.1
C.B.S. Broadcasting, Inc.	555 West 57th Street & Worldwide Plaza	2023 & 2027	371,125	1.3	1.0
Omnicom Group, Inc., Cardinia Real Estate	220 East 42nd Street & 1055 Washington Blvd.	2028 & 2032	254,914	0.9	1.0
Amerada Hess Corp.	1185 Avenue of the Americas	2027	181,569	0.6	1.0
Cravath, Swaine & Moore LLP	Worldwide Plaza	2024	617,134	2.2	1.0
National Hockey League	1185 Avenue of the Americas	2022	148,217	0.5	1.0
WME IMG, LLC	11 Madison Avenue & 304 Park Avenue	2028 & 2030	214,707	0.8	0.9
Nomura Holding America Inc.	810 Seventh Avenue, Worldwide Plaza & 1100 King Street Blgd 5	2026, 2028 & 2033	888,762	3.1	0.8
Infor (USA) Inc.	635 Sixth Avenue & 641 Sixth Avenue	2022, 2025, 2026 & 2027	149,119	0.5	0.8
The Travelers Indemnity Company	485 Lexington Avenue	2021	176,838	0.6	0.8
RSM McGladrey, Inc.	1185 Avenue of the Americas	2018	164,771	0.6	0.8
Prada USA Corp	724 Fifth Avenue	2028	20,760	0.1	0.7

Yelp, Inc.	11 Madison Avenue	2025	191,797	0.7	0.7
EisnerAmper, LLP	750 Third Avenue	2020	152,961	0.5	0.7
Schulte, Roth & Zabel LLP	919 Third Avenue	2036	263,186	0.9	0.6
Newmark & Company Real Estate Inc.	125 Park Avenue & 110 East 42nd Street	2031	162,804	0.6	0.6
HF Management Services LLC	100 Church Street	2032	230,394	0.8	0.6
KPMG LLP	1350 Avenue of the Americas	2026	112,061	0.4	0.6
Total			12,028,236	42.3%	41.2%

Environmental Matters

We engaged independent environmental consulting firms to perform Phase I environmental site assessments on our portfolio, in order to assess existing environmental conditions. All of the Phase I assessments met the American Society for Testing and Materials (ASTM) Standard. Under the ASTM Standard, a Phase I environmental site assessment consists of a site visit, an historical record review, a review of regulatory agency data bases and records, and interviews with on-site personnel, with the purpose of identifying potential environmental concerns associated with real estate. These environmental site assessments did not reveal any known environmental liability that we believe will have a material adverse effect on our results of operations or financial condition.

ITEM 3. LEGAL PROCEEDINGS

As of December 31, 2017, the Company and the Operating Partnership were not involved in any material litigation nor, to management's knowledge, was any material litigation threatened against us or our portfolio which if adversely determined could have a material adverse impact on us.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

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PART II

ITEM 5. MARKET FOR REGISTRANTS' COMMON EQUITY AND RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

SL GREEN REALTY CORP.

Our common stock trades on the New York Stock Exchange, or the NYSE, under the symbol "SLG." On February 22, 2018, the reported closing sale price per share of common stock on the NYSE was $95.91 and there were 349 holders of record of our common stock. The table below sets forth the quarterly high and low closing sales prices of the common stock on the NYSE and the dividends declared by us with respect to the periods indicated.

	2017			2016		
Quarter Ended	**High**	**Low**	**Dividends**	**High**	**Low**	**Dividends**
March 31	$ 113.75	$ 104.62	$ 0.775	$ 110.92	$ 80.54	$ 0.72
June 30	$ 109.73	$ 101.03	$ 0.775	$ 106.72	$ 95.51	$ 0.72
September 30	$ 107.52	$ 95.45	$ 0.775	$ 119.20	$ 102.56	$ 0.72
December 31	$ 105.01	$ 94.15	$ 0.8125	$ 112.89	$ 94.23	$ 0.775

If dividends are declared in a quarter, those dividends are generally paid during the subsequent quarter. We expect to continue our policy of distributing our taxable income through regular cash dividends on a quarterly basis, although there is no assurance as to future dividends because they depend on future earnings, capital requirements and financial condition. See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Dividends/Distributions," for additional information regarding our dividends.

UNITS

At December 31, 2017, there were 4,452,979 units of limited partnership interest of the Operating Partnership outstanding and held by persons other than the Company, which received distributions per unit in the same manner as dividends per share were distributed to common stockholders.

SL GREEN OPERATING PARTNERSHIP, L.P.

There is no established public trading market for the common units of the Operating Partnership. On February 22, 2018, there were 40 holders of record and 95,042,436 common units outstanding, 90,327,098 of which were held by SL Green. The table below sets forth the quarterly distributions paid by the Operating Partnership to holders of its common units with respect to the periods indicated.

	Distributions	
Quarter Ended	**2017**	**2016**
March 31	$ 0.775	$ 0.72
June 30	$ 0.775	$ 0.72
September 30	$ 0.775	$ 0.72
December 31	$ 0.8125	$ 0.775

SL Green expects to pay dividends to its stockholders on a quarterly basis based on the distributions from the Operating Partnership to it primarily from property revenues net of operating expenses or, if necessary, from working capital or borrowings. If SL Green declares a dividend, such dividend is generally paid in the subsequent quarter.

In order for SL Green to maintain its qualification as a REIT, it must make annual distributions to its stockholders of at least 90% of its taxable income (not including net capital gains). SL Green has adopted a policy of paying regular quarterly dividends on its common stock, and the Operating Partnership has adopted a policy of paying regular quarterly distributions to its common units corresponding to dividends paid by SL Green. Cash distributions have been paid on the common stock of SL Green and the common units of the Operating Partnership since the initial public offering of SL Green. Distributions are declared at the discretion of the board of directors of SL Green and depend on actual and anticipated cash from operations, financial condition, capital requirements, the annual distribution requirements under the REIT provisions of the Internal Revenue Code and other factors SL Green’s board of directors may consider relevant.

Each time SL Green issues shares of stock (other than in exchange for common units of limited partnership interest of the Operating Partnership, or OP Units, when such OP Units are presented for redemption), it contributes the proceeds of such issuance

to the Operating Partnership in return for an equivalent number of units of limited partnership interest with rights and preferences analogous to the shares issued.

ISSUER PURCHASES OF EQUITY SECURITIES

None.

SALE OF UNREGISTERED AND REGISTERED SECURITIES; USE OF PROCEEDS FROM REGISTERED SECURITIES

During the years ended December 31, 2017, 2016, and 2015, we issued 201,696, 292,291 and 482,311 shares of our common stock, respectively, to holders of units of limited partnership interest in the Operating Partnership upon the redemption of such units pursuant to the partnership agreement of the Operating Partnership. The issuance of such shares was exempt from registration under the Securities Act, pursuant to the exemption contemplated by Section 4(a)(2) thereof for transactions not involving a public offering. The units were exchanged for an equal number of shares of our common stock.

The following table summarizes information, as of December 31, 2017, relating to our equity compensation plans pursuant to which shares of our common stock or other equity securities may be granted from time to time.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders [1]	3,917,900 (2)	$ 94.33 (3)	8,715,196 (4)
Equity compensation plans not approved by security holders	—	—	—
Total	3,917,900	$ 94.33	8,715,196

(1) Includes our Fourth Amended and Restated 2005 Stock Option and Incentive Plan, Amended 1997 Stock Option and Incentive Plan, as amended, and 2008 Employee Stock Purchase Plan.
(2) Includes (i) 1,548,719 shares of common stock issuable upon the exercise of outstanding options (800,902 of which are vested and exercisable), (ii) 10,750 restricted stock units and 99,853 phantom stock units that may be settled in shares of common stock (99,853 of which are vested), (iii) 2,205,600 LTIP units that, upon the satisfaction of certain conditions, are convertible into common units, which may be presented to us for redemption and acquired by us for shares of our common stock (1,465,100 of which are vested).
(3) Because there is no exercise price associated with restricted stock units, phantom stock units or LTIP units, these awards are not included in the weighted-average exercise price calculation.
(4) Balance is after reserving for shares underlying outstanding restricted stock units, phantom stock units granted pursuant to our Non-Employee Directors' Deferral Program and LTIP Units. The number of securities remaining available consists of shares remaining available for issuance under our 2008 Employee Stock Purchase Plan and Third Amended and Restated 2005 Stock Option and Incentive Plan.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth our selected financial data and should be read in conjunction with our Financial Statements and notes thereto included in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 8, "Financial Statements and Supplementary Data" in this Form 10-K.

SL GREEN REALTY CORP.

Operating Data	Year Ended December 31,				
	2017	2016	2015	2014	2013
(in thousands, except per share data)					
Total revenue	$ 1,511,473	$ 1,863,981	$ 1,662,829	$ 1,519,978	$ 1,371,065
Operating expenses	293,364	312,859	301,624	282,283	276,589
Real estate taxes	244,323	248,388	232,702	217,843	203,076
Ground rent	33,231	33,261	32,834	32,307	31,951
Interest expense, net of interest income	257,045	321,199	323,870	317,400	310,894
Amortization of deferred finance costs	16,498	24,564	27,348	22,377	15,855
Depreciation and amortization	403,320	821,041	560,887	371,610	324,461
Transaction related costs	(1,834)	7,528	11,430	8,707	3,985
Marketing, general and administrative	100,498	99,759	94,873	92,488	86,192
Total expenses	1,346,445	1,868,599	1,585,568	1,345,015	1,253,003
Equity in net income from unconsolidated joint ventures	21,892	11,874	13,028	26,537	9,921
Equity in net gain on sale of interest in unconsolidated joint venture/real estate	16,166	44,009	15,844	123,253	3,601
Purchase price fair value adjustment	—	—	40,078	67,446	(2,305)
Gain on sale of real estate, net	73,241	238,116	175,974	—	—
Gain (loss) on sale of investment in marketable securities	3,262	(83)	—	3,895	(65)
Depreciable real estate reserves	(178,520)	(10,387)	(19,226)	—	—
Loss on early extinguishment of debt	—	—	(49)	(32,365)	(18,518)
Income from continuing operations	101,069	278,911	302,910	363,729	110,696
Discontinued operations	—	—	14,549	182,134	40,587
Net income	101,069	278,911	317,459	545,863	151,283
Net income attributable to noncontrolling interest in the Operating Partnership	(3,995)	(10,136)	(10,565)	(18,467)	(3,023)
Net loss (income) attributable to noncontrolling interests in other partnerships	15,701	(7,644)	(15,843)	(6,590)	(10,629)
Preferred unit distributions	(11,401)	(11,235)	(6,967)	(2,750)	(2,260)
Net income attributable to SL Green	101,374	249,896	284,084	518,056	135,371
Preferred stock redemption costs	—	—	—	—	(12,160)
Perpetual preferred stock dividends	(14,950)	(14,950)	(14,952)	(14,952)	(21,881)
Net income attributable to SL Green common stockholders	$ 86,424	$ 234,946	$ 269,132	$ 503,104	$ 101,330
Net income per common share—Basic	$ 0.88	$ 2.35	$ 2.71	$ 5.25	$ 1.10
Net income per common share—Diluted	$ 0.87	$ 2.34	$ 2.70	$ 5.23	$ 1.10
Cash dividends declared per common share	$ 3.1375	$ 2.94	$ 2.52	$ 2.10	$ 1.49
Basic weighted average common shares outstanding	98,571	100,185	99,345	95,774	92,269
Diluted weighted average common shares and common share equivalents outstanding	103,403	104,881	103,734	99,696	95,266

Balance Sheet Data (in thousands)	As of December 31, 2017	2016	2015	2014	2013
Commercial real estate, before accumulated depreciation	$ 10,206,122	$ 12,743,332	$ 16,681,602	$ 14,069,141	$ 12,333,780
Total assets	13,982,904	15,857,787	19,727,646	17,096,587	14,959,001
Mortgages and other loans payable, revolving credit facilities, term loans and senior unsecured notes and trust preferred securities, net	5,855,132	6,481,666	10,275,453	8,178,787	6,919,908
Noncontrolling interests in the Operating Partnership	461,954	473,882	424,206	496,524	265,476
Total equity	6,589,454	7,750,911	7,719,317	7,459,216	7,016,876

Other Data (in thousands)	Year Ended December 31, 2017	2016	2015	2014	2013
Net cash provided by operating activities	548,373	634,714	526,484	490,381	386,203
Net cash (used in) provided by investing activities	(18,851)	2,122,570	(2,265,911)	(796,835)	(628,435)
Net cash (used in) provided by financing activities	(681,077)	(2,733,240)	1,713,417	381,171	258,940
Funds from operations available to all stockholders[1]	667,294	869,855	661,825	583,036	490,255

(1) FFO is a widely recognized non-GAAP measure of REIT performance. The Company computes FFO in accordance with standards established by the National Association of Real Estate Investment Trusts, or NAREIT, which may not be comparable to FFO reported by other REITs that do not compute FFO in accordance with the NAREIT definition, or that interpret the NAREIT definition differently than the Company does. The revised White Paper on FFO approved by the Board of Governors of NAREIT in April 2002, and subsequently amended, defines FFO as net income (loss) (computed in accordance with Generally Accepted Accounting Principles, or GAAP), excluding gains (or losses) from sales of properties and real estate related impairment charges, plus real estate related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures.

The Company presents FFO because it considers it an important supplemental measure of the Company's operating performance and believes that it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, particularly those that own and operate commercial office properties. The Company also uses FFO as one of several criteria to determine performance-based bonuses for members of its senior management. FFO is intended to exclude GAAP historical cost depreciation and amortization of real estate and related assets, which assumes that the value of real estate assets diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. Because FFO excludes depreciation and amortization unique to real estate, gains and losses from property dispositions, and extraordinary items, it provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, and interest costs, providing perspective not immediately apparent from net income. FFO does not represent cash generated from operating activities in accordance with GAAP and should not be considered as an alternative to net income (determined in accordance with GAAP), as an indication of the Company's financial performance or to cash flow from operating activities (determined in accordance with GAAP) as a measure of the Company's liquidity, nor is it indicative of funds available to fund the Company's cash needs, including our ability to make cash distributions

A reconciliation of FFO to net income computed in accordance with GAAP is included in Item 7, of "Management's Discussion and Analysis of Financial Condition and Results of Operations—Funds From Operations."

SL GREEN OPERATING PARTNERSHIP, L.P.

Operating Data	Year Ended December 31,				
	2017	2016	2015	2014	2013
(in thousands, except per unit data)					
Total revenue	$ 1,511,473	$ 1,863,981	$ 1,662,829	$ 1,519,978	$ 1,371,065
Operating expenses	293,364	312,859	301,624	282,283	276,589
Real estate taxes	244,323	248,388	232,702	217,843	203,076
Ground rent	33,231	33,261	32,834	32,307	31,951
Interest expense, net of interest income	257,045	321,199	323,870	317,400	310,894
Amortization of deferred finance costs	16,498	24,564	27,348	22,377	15,855
Depreciation and amortization	403,320	821,041	560,887	371,610	324,461
Loan loss and other investment reserves, net of recoveries				—	—
Transaction related costs	(1,834)	7,528	11,430	8,707	3,985
Marketing, general and administrative	100,498	99,759	94,873	92,488	86,192
Total expenses	1,346,445	1,868,599	1,585,568	1,345,015	1,253,003
Equity in net income from unconsolidated joint ventures	21,892	11,874	13,028	26,537	9,921
Equity in net gain on sale of interest in unconsolidated joint venture/ real estate	16,166	44,009	15,844	123,253	3,601
Purchase price fair value adjustment	—	—	40,078	67,446	(2,305)
Gain on sale of real estate, net	73,241	238,116	175,974	—	—
Gain (loss) on sale of investment in marketable securities	3,262	(83)	—	3,895	—
Depreciable real estate reserves	(178,520)	(10,387)	(19,226)	—	—
Loss on early extinguishment of debt	—	—	(49)	(32,365)	(18,518)
Income from continuing operations	101,069	278,911	302,910	363,729	110,761
Discontinued operations	—	—	14,549	182,134	40,587
Net income	101,069	278,911	317,459	545,863	151,348
Net loss (income) attributable to noncontrolling interests in other partnerships	15,701	(7,644)	(15,843)	(6,590)	(10,629)
Preferred unit distributions	(11,401)	(11,235)	(6,967)	(2,750)	(2,260)
Net income attributable to SLGOP	105,369	260,032	294,649	536,523	138,459
Preferred unit redemption costs	—	—	—	—	(12,160)
Perpetual preferred unit distributions	(14,950)	(14,950)	(14,952)	(14,952)	(21,881)
Net income attributable to SLGOP common stockholders	$ 90,419	$ 245,082	$ 279,697	$ 521,571	$ 104,418
Net income per common unit—Basic	$ 0.88	$ 2.35	$ 2.71	$ 5.25	$ 1.10
Net income per common unit—Diluted	$ 0.87	$ 2.34	$ 2.70	$ 5.23	$ 1.10
Cash dividends declared per common unit	$ 3.1375	$ 2.94	$ 2.52	$ 2.10	$ 1.49
Basic weighted average common units outstanding	103,127	104,508	103,244	99,288	95,004
Diluted weighted average common units and common units equivalents outstanding	103,403	104,881	103,734	99,696	95,266

Balance Sheet Data (in thousands)	As of December 31,				
	2017	2016	2015	2014	2013
Commercial real estate, before accumulated depreciation	$ 10,206,122	$ 12,743,332	$ 16,681,602	$ 14,069,141	$ 12,333,780
Total assets	13,982,904	15,857,787	19,727,646	17,096,587	14,959,001
Mortgages and other loans payable, revolving credit facilities, term loans and senior unsecured notes and trust preferred securities, net	5,855,132	6,481,666	10,275,453	8,178,787	6,919,908
Total capital	6,589,454	7,750,911	7,719,317	7,459,216	7,282,352

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

SL Green Realty Corp., which is referred to as SL Green or the Company, a Maryland corporation, and SL Green Operating Partnership, L.P., which is referred to as SLGOP or the Operating Partnership, a Delaware limited partnership, were formed in June 1997 for the purpose of combining the commercial real estate business of S.L. Green Properties, Inc. and its affiliated partnerships and entities. The Company is a self-managed real estate investment trust, or REIT, engaged in the acquisition, development, ownership, management and operation of commercial and residential real estate properties, principally office properties, located in the New York metropolitan area. Unless the context requires otherwise, all references to "we," "our" and "us" means the Company and all entities owned or controlled by the Company, including the Operating Partnership.

Reckson Associates Realty Corp., or Reckson, and Reckson Operating Partnership, L.P. or ROP, are wholly-owned subsidiaries of the SL Green Realty Corp.

The following discussion related to our consolidated financial statements should be read in conjunction with the financial statements appearing in Item 8 of this Annual Report on Form 10-K.

Leasing and Operating

In 2017, our same-store Manhattan office property occupancy based on leases signed was 95.3% compared to 95.9% in the prior year. We signed office leases in Manhattan encompassing approximately 1.5 million square feet, of which approximately 0.9 million square feet represented office leases that replaced previously occupied space. Our mark-to-market on these approximately 1.5 million square feet of signed Manhattan office leases that replaced previously occupied space was 11.3% for 2017.

According to Cushman & Wakefield, new leasing activity in Manhattan in 2017 totaled approximately 30.5 million square feet. Of the total 2017 leasing activity in Manhattan, the Midtown submarket accounted for approximately 19.7 million square feet, or approximately 64.6%. Manhattan's overall office vacancy decreased from 9.3% at December 31, 2016 to 8.9% at December 31, 2017. Overall average asking rents in Manhattan decreased in 2017 by 0.8% from $72.82 per square foot at December 31, 2016 to $72.25 per square foot at December 31, 2017, while Manhattan Class A asking rents increased to $79.05 per square foot, up 0.8% from $78.43 one year ago.

Acquisition and Disposition Activity

Overall Manhattan sales volume decreased by 45.5% in 2017 to $21.6 billion as compared to $39.6 billion in 2016. Consistent with our multi-faceted approach to property acquisitions, we selectively sourced the purchase of an interest in Worldwide Plaza, a Class A asset located in Midtown Manhattan.

We also continued to take advantage of significant interest by both international and domestic institutions and individuals seeking ownership interests in Manhattan properties to sell assets, disposing of a significant volume of properties that were non-core or had more limited growth opportunities, raising efficiently priced capital that was used primarily for debt reduction and stock repurchases. During the year, we sold all or part of our interest in 680-750 Washington Boulevard, 102 Greene Street, 520 White Plains Road, 16 Court Street, and 125 Chubb for total gross valuations of $362.0 million, and sold a 30.13% interest in 1515 Broadway at a gross valuation of $1.95 billion, which did not meet the criteria for sale accounting in 2017. We achieved sale accounting upon adoption of ASC 610-20 in January 2018 and closed on the sale of an additional 12.87% interest in this property in February 2018. Additionally, in 2017 we entered a contract to sell 600 Lexington Avenue for a gross asset valuation of $305.0 million. This transaction closed in January 2018.

Debt and Preferred Equity

In 2016 and 2017, in our debt and preferred equity portfolio we continued to focus on the origination of financings, typically in the form of mezzanine debt, for owners, acquirers or developers of properties in the markets in which we operate, primarily the New York metropolitan area. This investment strategy provides us with the opportunity to fill a need for additional debt financing, while achieving attractive risk adjusted returns to us on the investments and receiving a significant amount of additional information on the New York metropolitan area real estate market. The typical investments made by us during 2016 and 2017 were to reputable owners or acquirers which have sizable equity subordinate to our last dollar exposure. During 2017, our debt and preferred equity activities included purchases and originations, inclusive of advances under future funding obligations, discount and fee amortization, and paid-in-kind interest, net of premium amortization, of $1,287 million, and sales, redemption and participations of $813 million.

For descriptions of significant activities in 2017, refer to "Part I, Item 1. Business - Highlights from 2017."

Critical Accounting Policies

Our discussion and analysis of financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, and contingencies as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. We evaluate our assumptions and estimates on an ongoing basis. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Investment in Commercial Real Estate Properties

Real estate properties are presented at cost less accumulated depreciation and amortization. Costs directly related to the development or redevelopment of properties are capitalized. Ordinary repairs and maintenance are expensed as incurred; major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives.

We recognize the assets acquired, liabilities assumed (including contingencies) and any noncontrolling interests in an acquired entity at their respective fair values on the acquisition date.

We incur a variety of costs in the development and leasing of our properties. After the determination is made to capitalize a cost, it is allocated to the specific component of a project that is benefited. Determination of when a development project is substantially complete and capitalization must cease involves a degree of judgment. The costs of land and building under development include specifically identifiable costs. The capitalized costs include, but are not limited to, pre-construction costs essential to the development of the property, development costs, construction costs, interest costs, real estate taxes, salaries and related costs and other costs incurred during the period of development. We consider a construction project as substantially completed and held available for occupancy upon the completion of tenant improvements, but no later than one year after major construction activity ceases. We cease capitalization on the portions substantially completed and occupied or held available for occupancy, and capitalize only those costs associated with the portions under construction.

On a periodic basis, we assess whether there are any indications that the value of our real estate properties may be other than temporarily impaired or that their carrying value may not be recoverable. A property's value is considered impaired if management's estimate of the aggregate future cash flows (undiscounted) to be generated by the property is less than the carrying value of the property. To the extent impairment has occurred, the loss will be measured as the excess of the carrying amount of the property over the calculated fair value of the property.

We also evaluate our real estate properties for impairment when a property has been classified as held for sale. Real estate assets held for sale are valued at the lower of their carrying value or fair value less costs to sell and depreciation expense is no longer recorded. See Note 4, "Properties Held for Sale and Dispositions."

Investments in Unconsolidated Joint Ventures

We account for our investments in unconsolidated joint ventures under the equity method of accounting in cases where we exercise significant influence over, but do not control, these entities and are not considered to be the primary beneficiary. We consolidate those joint ventures that we control or which are variable interest entities (each, a "VIE") and where we are considered to be the primary beneficiary. In all these joint ventures, the rights of the joint venture partner are both protective as well as participating. Unless we are determined to be the primary beneficiary in a VIE, these participating rights preclude us from consolidating these VIE entities. These investments are recorded initially at cost, as investments in unconsolidated joint ventures, and subsequently adjusted for equity in net income (loss) and cash contributions and distributions. Equity in net income (loss) from unconsolidated joint ventures is allocated based on our ownership or economic interest in each joint venture. When a capital event (as defined in each joint venture agreement) such as a refinancing occurs, if return thresholds are met, future equity income will be allocated at our increased economic interest. We recognize incentive income from unconsolidated real estate joint ventures as income to the extent it is earned and not subject to a clawback feature. Distributions we receive from unconsolidated real estate joint ventures in excess of our basis in the investment are recorded as offsets to our investment balance if we remain liable for future obligations of the joint venture or may otherwise be committed to provide future additional financial support. None of the joint venture debt is recourse to us. The Company has performance guarantees under master leases at two joint ventures. See Note 6, "Investments in Unconsolidated Joint Ventures."

We assess our investments in unconsolidated joint ventures for recoverability, and if it is determined that a loss in value of the investment is other than temporary, we write down the investment to its fair value. We evaluate our equity investments for impairment based on the joint ventures' projected discounted cash flows. We do not believe that the values of any of our equity investments were impaired at December 31, 2017.

We may originate loans for real estate acquisition, development and construction, where we expect to receive some of the residual profit from such projects. When the risk and rewards of these arrangements are essentially the same as an investor or joint venture partner, we account for these arrangements as real estate investments under the equity method of accounting for investments. Otherwise, we account for these arrangements consistent with the accounting for our debt and preferred equity investments.

Revenue Recognition

Rental revenue is recognized on a straight-line basis over the term of the lease. The excess of rents recognized over amounts contractually due pursuant to the underlying leases are included in deferred rents receivable on the consolidated balance sheets. We establish, on a current basis, an allowance for future potential tenant credit losses, which may occur against this account. The balance reflected on the consolidated balance sheets is net of such allowance.

We record a gain on sale of real estate when title is conveyed to the buyer, subject to the buyer's financial commitment being sufficient to provide economic substance to the sale and provided that we have no substantial economic involvement with the buyer.

Interest income on debt and preferred equity investments is accrued based on the contractual terms of the instruments and when, in the opinion of management, it is deemed collectible. Some debt and preferred equity investments provide for accrual of interest at specified rates, which differ from current payment terms. Interest is recognized on such loans at the accrual rate subject to management's determination that accrued interest is ultimately collectible, based on the underlying collateral and operations of the borrower. If management cannot make this determination, interest income above the current pay rate is recognized only upon actual receipt.

Deferred origination fees, original issue discounts and loan origination costs, if any, are recognized as an adjustment to the interest income over the terms of the related investments using the effective interest method. Fees received in connection with loan commitments are also deferred until the loan is funded and are then recognized over the term of the loan as an adjustment to yield.

Debt and preferred equity investments are placed on a non-accrual status at the earlier of the date at which payments become 90 days past due or when, in the opinion of management, a full recovery of interest income becomes doubtful. Interest income recognition on any non-accrual debt or preferred equity investment is resumed when such non-accrual debt or preferred equity investment becomes contractually current and performance is demonstrated to be resumed. Interest is recorded as income on impaired loans only to the extent cash is received.

We may syndicate a portion of the loans that we originate or sell the loans individually. When a transaction meets the criteria for sale accounting, we derecognize the loan sold and recognize gain or loss based on the difference between the sales price and the carrying value of the loan sold. Any related unamortized deferred origination fees, original issue discounts, loan origination costs, discounts or premiums at the time of sale are recognized as an adjustment to the gain or loss on sale, which is included in investment income on the consolidated statement of operations. Any fees received at the time of sale or syndication are recognized as part of investment income.

Asset management fees are recognized on a straight-line basis over the term of the asset management agreement.

Allowance for Doubtful Accounts

We maintain an allowance for doubtful accounts for estimated losses resulting from the inability of our tenants to make required payments. If the financial condition of a specific tenant were to deteriorate, resulting in an impairment of its ability to make payments, additional allowances may be required.

Reserve for Possible Credit Losses

The expense for possible credit losses in connection with debt and preferred equity investments is the charge to earnings to increase the allowance for possible credit losses to the level that we estimate to be adequate, based on Level 3 data, considering delinquencies, loss experience and collateral quality. Other factors considered include geographic trends, product diversification, the size of the portfolio and current economic conditions. Based upon these factors, we establish a provision for possible credit loss on each individual investment. When it is probable that we will be unable to collect all amounts contractually due, the investment is considered impaired.

Where impairment is indicated on an investment that is held to maturity, a valuation allowance is measured based upon the excess of the recorded investment amount over the net fair value of the collateral. Any deficiency between the carrying amount of an asset and the calculated value of the collateral is charged to expense. We continue to assess or adjust our estimates based on circumstances of a loan and the underlying collateral. If additional information reflects increased recovery of our investment, we will adjust our reserves accordingly. There were no loan reserves recorded during the years ended December 31, 2017, 2016, and 2015.

Debt and preferred equity investments held for sale are carried at the lower of cost or fair market value using available market information obtained through consultation with dealers or other originators of such investments as well as discounted cash flow models based on Level 3 data pursuant to ASC 820-10. As circumstances change, management may conclude not to sell an investment designated as held for sale. In such situations, the investment will be reclassified at its net carrying value to debt and preferred equity investments held to maturity. For these reclassified investments, the difference between the current carrying value and the expected cash to be collected at maturity will be accreted into income over the remaining term of the investment.

Derivative Instruments

In the normal course of business, we use a variety of commonly used derivative instruments, such as interest rate swaps, caps, collars and floors, to manage, or hedge, interest rate risk. Effectiveness is essential for those derivatives that we intend to qualify for hedge accounting. Some derivative instruments are associated with an anticipated transaction. In those cases, hedge effectiveness criteria also require that it be probable that the underlying transaction occurs. Instruments that meet these hedging criteria are formally designated as hedges at the inception of the derivative contract.

To determine the fair values of derivative instruments, we use a variety of methods and assumptions that are based on market conditions and risks existing at each balance sheet date. For the majority of financial instruments including most derivatives, long-term investments and long-term debt, standard market conventions and techniques such as discounted cash flow analysis, option pricing models, replacement cost, and termination cost are used to determine fair value. All methods of assessing fair value result in a general approximation of value, and such value may never actually be realized.

Reconciliation of Net Income to Same-Store Operating Income

We present Same-Store Operating Income because we believe that this measure, when taken together with the corresponding GAAP financial measures and our reconciliation, provides investors with meaningful information regarding the operating performance of properties. When operating performance is compared across multiple periods, the investor is provided with information not immediately apparent from net income that is determined in accordance with GAAP. Same-Store Operating Income provides information on trends in the revenue generated and expenses incurred in operating our properties, unaffected by the cost of leverage, depreciation, amortization, and other net income components. We use this metric internally as a performance measure. This measure is not an alternative to net income (determined in accordance with GAAP) and same-store performance should not be considered an alternative to GAAP net income performance.

Comparison of the year ended December 31, 2017 to the year ended December 31, 2016

For properties owned since January 1, 2016 and still owned and operated at December 31, 2017, Same-Store NOI is determined as follows (in millions):

	Year Ended December 31,	
(in millions)	**2017**	**2016**
Net income	$ 101.1	$ 278.9
Equity in net gain on sale of interest in unconsolidated joint venture/real estate	(16.2)	(44.0)
Gain on sale of real estate, net	(73.2)	(238.1)
Depreciable real estate reserves	178.5	10.4
(Loss) gain on sale of investment in marketable securities	(3.3)	0.1
Depreciation and amortization	403.3	821.0
Interest expense, net of interest income	257.0	321.2
Amortization of deferred financing costs	16.5	24.6
Operating income	863.7	1,174.1
Less: Operating income from other properties/affiliates	(250.8)	(558.7)
Same-store operating income	$ 612.9	$ 615.4

Comparison of the year ended December 31, 2016 to the year ended December 31, 2015

For properties owned since January 1, 2015 and still owned and operated at December 31, 2016, Same-Store NOI is determined as follows (in millions):

	Year Ended December 31,	
(in millions)	**2016**	**2015**
Net income	$ 278.9	$ 317.5
Equity in net gain on sale of interest in unconsolidated joint venture/real estate	(44.0)	(15.8)
Gain on sale of real estate, net	(238.1)	(176.0)
Depreciable real estate reserves	10.4	19.2
Gain (loss) on sale of investment in marketable securities	0.1	—
Depreciation and amortization	821.0	560.9
Interest expense, net of interest income	321.2	323.9
Amortization of deferred financing costs	24.6	27.3
Operating income	1,174.1	1,057.0
Less: Operating income from other properties/affiliates	(503.6)	(388.2)
Same-store operating income	$ 670.5	$ 668.8

Results of Operations

Comparison of the year ended December 31, 2017 to the year ended December 31, 2016

The following comparison for the year ended December 31, 2017, or 2017, to the year ended December 31, 2016, or 2016, makes reference to the following:

i. "Same-Store Properties," which represents all operating properties owned by us at January 1, 2016 and still owned by us in the same manner at December 31, 2017 (Same-Store Properties totaled 43 of our 60 consolidated operating properties),
ii. "Acquisition Properties," which represents all properties or interests in properties acquired in 2017 and 2016 and all non-Same-Store Properties, including properties that are under development, redevelopment or were deconsolidated during the period,
iii. "Disposed Properties" which represents all properties or interests in properties sold or partially sold in 2017 and 2016, and
iv. "Other," which represents corporate level items not allocable to specific properties, as well as the Service Corporation and eEmerge Inc.

	Same-Store				Disposed		Other		Consolidated			
(in millions)	**2017**	**2016**	**$ Change**	**% Change**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**$ Change**	**% Change**
Rental revenue	$ 961.8	$ 942.6	$ 19.2	2.0 %	$ 121.1	$ 360.7	$ 18.1	$ 20.5	$ 1,101.0	$ 1,323.8	$ (222.8)	(16.8)%
Escalation and reimbursement	131.4	142.0	(10.6)	(7.5)%	40.1	52.7	1.4	2.2	172.9	196.9	(24.0)	(12.2)%
Investment income	—	—	—	— %	—	—	193.9	213.0	193.9	213.0	(19.1)	(9.0)%
Other income	8.9	6.8	2.1	30.9 %	0.5	94.3	34.3	29.2	43.7	130.3	(86.6)	(66.5)%
Total revenues	1,102.1	1,091.4	10.7	1.0 %	161.7	507.7	247.7	264.9	1,511.5	1,864.0	(352.5)	(18.9)%
Property operating expenses	482.6	474.2	8.4	1.8 %	65.3	98.7	23.0	21.6	570.9	594.5	(23.6)	(4.0)%
Transaction related costs	—	—	—	— %	—	—	(1.8)	7.5	(1.8)	7.5	(9.3)	(124.0)%
Marketing, general and administrative	—	—	—	— %	—	—	100.5	99.8	100.5	99.8	0.7	0.7 %
	482.6	474.2	8.4	1.8 %	65.3	98.7	121.7	128.9	669.6	701.8	(32.2)	(4.6)%
Operating income before equity in net income from unconsolidated joint ventures	$ 619.5	$ 617.2	$ 2.3	0.4 %	$ 96.4	$ 409.0	$ 126.0	$ 136.0	$ 841.9	$ 1,162.2	$ (320.3)	(27.6)%
Other income (expenses):												
Interest expense and amortization of deferred financing costs, net of interest income									(273.6)	(345.8)	72.2	(20.9)%
Depreciation and amortization									(403.3)	(821.0)	417.7	(50.9)%
Equity in net income from unconsolidated joint ventures									21.9	11.9	10.0	84.0 %
Equity in net gain on sale of interest in unconsolidated joint venture/real estate									16.2	44.0	(27.8)	(63.2)%
Gain on sale of real estate, net									73.2	238.1	(164.9)	(69.3)%
Depreciable real estate reserves									(178.5)	(10.4)	(168.1)	1,616.3 %
Gain (loss) on sale of investment in marketable securities									3.3	(0.1)	3.4	(3,400.0)%
Net income									$ 101.1	$ 278.9	$ (177.8)	(63.8)%

Rental, Escalation and Reimbursement Revenues

Rental revenues decreased primarily as a result of Disposed Properties ($239.7 million), which included 388-390 Greenwich Street and the effect of the partial sale and deconsolidation of 11 Madison Avenue in the third quarter of 2016. This decrease was offset by increased rental revenue at Same-Store Properties ($19.1 million), and by 1515 Broadway which, in 2016, recognized accounting write-offs ($17.4 million) related to the space previously leased to Aeropostale following the tenant's bankruptcy.

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Escalation and reimbursement revenue decreased primarily as a result of Disposed Properties ($12.7 million) and lower recoveries at our Same-Store properties ($10.6 million).

The following table presents a summary of the commenced leasing activity for the year ended December 31, 2017 in our Manhattan and Suburban portfolio:

	Usable SF	Rentable SF	New Cash Rent (per rentable SF) (1)	Prev. Escalated Rent (per rentable SF) (2)	TI/LC per rentable SF	Free Rent (in months)	Average Lease Term (in years)
Manhattan							
Space available at beginning of the year	1,149,571						
Space which became available during the year(3)							
• Office	1,181,119						
• Retail	29,739						
• Storage	16,594						
	1,227,452						
Total space available	2,377,023						
Leased space commenced during the year:							
• Office(4)	806,688	884,513	$ 73.59	$ 62.13	$ 56.80	4.6	8.2
• Retail	33,257	63,710	$ 297.35	$ 251.55	$ 37.72	6.5	13.1
• Storage	34,840	5,560	$ 36.32	$ 48.86	$ 1.92	1.9	7.4
Total leased space commenced	874,785	953,783	$ 88.32	$ 82.88	$ 55.20	4.7	8.5
Total available space at end of year	1,502,238						
Early renewals							
• Office	281,039	285,889	$ 79.07	$ 73.96	$ 11.46	1.9	4.5
• Retail	45,652	35,089	$ 73.96	$ 50.53	$ 2.01	0.1	5.5
• Storage	2,730	2,817	$ 29.44	$ 30.52	$ —	1.3	3.2
Total early renewals	329,421	323,795	$ 78.09	$ 71.04	$ 10.34	1.7	4.6
Total commenced leases, including replaced previous vacancy							
• Office		1,170,402	$ 74.93	$ 66.58	$ 45.72	3.9	7.3
• Retail		98,799	$ 218.01	$ 176.40	$ 25.04	4.2	10.4
• Storage		8,377	$ 34.00	$ 38.77	$ 1.27	1.7	6.0
Total commenced leases		1,277,578	$ 85.73	$ 78.42	$ 43.83	3.9	7.5

	Usable SF	Rentable SF	New Cash Rent (per rentable SF) (1)	Prev. Escalated Rent (per rentable SF) (2)	TI/LC per rentable SF	Free Rent (in months)	Average Lease Term (in years)
Suburban							
Space available at beginning of year	965,021						
Sold Vacancies	(222,250)						
Properties placed in service	—						
Space which became available during the year[3]							
• Office	246,565						
• Retail	1,338						
• Storage	2,866						
	250,769						
Total space available	993,540						
Leased space commenced during the year:							
• Office[5]	334,739	345,633	$ 31.62	$ 35.13	$ 34.99	6.2	7.5
• Retail	338	338	$ 33.00	$ 33.00	$ —	—	5.0
• Storage	2,791	2,858	$ 17.42	$ 13.92	$ 10.13	0.9	4.7
Total leased space commenced	337,868	348,829	$ 31.51	$ 34.79	$ 34.75	6.2	7.5
Total available space at end of the year	655,672						
Early renewals							
• Office	181,288	183,331	$ 32.21	$ 32.86	$ 8.05	4.1	4.2
• Storage	2,213	2,213	$ 17.01	$ 16.52	$ —	—	4.8
Total early renewals	183,501	185,544	$ 32.03	$ 32.67	$ 7.96	4.0	4.2
Total commenced leases, including replaced previous vacancy							
• Office		528,964	$ 31.83	$ 33.76	$ 25.65	5.5	6.3
• Retail		338	$ 33.00	$ 33.00	$ —	—	5.0
• Storage		5,071	$ 17.24	$ 15.31	$ 5.71	0.5	4.7
Total commenced leases		534,373	$ 31.69	$ 33.51	$ 25.45	5.4	6.3

(1) Annual initial base rent.
(2) Escalated rent is calculated as total annual income less electric charges.
(3) Includes expiring space, relocating tenants and move-outs where tenants vacated. Excludes lease expirations where tenants held over.
(4) Average starting office rent excluding new tenants replacing vacancies was $70.21 per rentable square feet for 120,566 rentable square feet. Average starting office rent for office space (leased and early renewals, excluding new tenants replacing vacancies) was $72.83 per rentable square feet for 217,384 rentable square feet.
(5) Average starting office rent excluding new tenants replacing vacancies was $37.88 per rentable square feet for 25,866 rentable square feet. Average starting office rent for office space (leased and early renewals, excluding new tenants replacing vacancies) was $35.19 per rentable square feet for 96,688 rentable square feet.

Investment Income

Investment income decreased primarily as a result of additional income recognized from the recapitalization of a debt investment ($41.0 million) in the third quarter of 2016, partially offset by income related to our preferred equity investment in 885 Third Avenue ($16.9 million) and a larger weighted average book balance. For the twelve months ended December 31, 2017, the weighted average debt and preferred equity investment balance outstanding and weighted average yield were $1.9 billion and 9.3% excluding our investment in Two Herald Square which was put on non-accrual in August 2017, respectively, compared to $1.5 billion and 9.7%, respectively, for the same period in 2016. As of December 31, 2017, the debt and preferred equity investments had a weighted average term to maturity of 2.2 years excluding extension options and our investment in Two Herald Square.

Other Income

Other income decreased primarily as a result of the termination fee earned in connection with the termination of the lease with Citigroup, Inc. at 388-390 Greenwich in 2016 ($94.0 million) and promote income earned in connection with the sale of 33

Beekman in the second quarter of 2016 ($10.8 million). The decrease was partially offset by net fees recognized in connection with the One Vanderbilt venture in 2017 ($13.3 million).

Property Operating Expenses

Property operating expenses decreased primarily as a result of Disposed Properties ($33.4 million) partially offset by increased real estate taxes at our Same-Store Properties ($8.2 million).

Transaction Related Costs

The decrease in transaction related costs in 2017 is primarily due to the adoption of ASU No. 2017-01 in 2017, which clarified the definition of a business and provided guidance to assist in determining whether transactions should be accounted for as acquisitions of assets or businesses. Following the adoption of the guidance, most of our real estate acquisitions are considered asset acquisitions and transaction costs are therefore capitalized to the investment basis when they would have previously been expensed under the previous guidance. Transaction costs expensed in 2017 relate primarily to transactions that are not moving forward for which any costs incurred are expensed.

Marketing, General and Administrative Expenses

Marketing, general and administrative expenses for the year ended December 31, 2017 were $100.5 million, including a $4.1 million charge related to forfeiture of the Company's 2014 Outperformance Plan awards, or 5.3% of total combined revenues, including our share of joint venture revenues, and 53 basis points of total combined assets, including our share of joint venture assets compared to $99.8 million, or 4.7% of total revenues including our share of joint venture revenues, and 53 basis points of total combined assets including our share of joint venture assets for 2016.

Interest Expense and Amortization of Deferred Financing Costs, Net of Interest Income

Interest expense and amortization of deferred financing costs, net of interest income, decreased primarily as a result of the Disposed Properties ($72.2 million). The weighted average consolidated debt balance outstanding was $6.6 billion for the year ended December 31, 2017 from $8.5 billion for the year ended December 31, 2016. The consolidated weighted average interest rate was 4.00% for the year ended December 31, 2017 as compared to 3.82% for the year ended December 31, 2016.

Depreciation and Amortization

Depreciation and amortization decreased primarily as a result of the Disposed Properties ($448.9 million), partially offset by accelerated amortization at 5-7 Dey Street, 183 & 187 Broadway upon the commencement of demolition of the properties ($32.0 million).

Equity in Net Income in Unconsolidated Joint Venture/Real Estate

Equity in net income from unconsolidated joint ventures increased primarily as a result of the sale of a 40% interest in 11 Madison in the third quarter of 2016 ($13.0 million), as well as higher net income contributions from 1745 Broadway ($7.3 million) and 605 West 42nd Street ($3.5 million) in 2017. These increases were partially offset by lower net income contributions from 280 Park Avenue ($5.7 million) as a result of the write off of deferred financing costs in conjunction with the refinancing of the debt on the property, reduced occupancy at 3 Columbus Circle ($3.9 million), and revenues from a debt and preferred equity investment that was contributed to a joint venture in the first quarter of 2016, and repaid in the second quarter of 2017 ($2.7 million).

Equity in Net Gain on Sale of Interest in Unconsolidated Joint Ventures

During the year ended December 31, 2016 we recognized a gain on the sale related to our interests in 747 Madison Avenue ($13.0 million), 102 Greene Street ($0.3 million) and part of our interest in the Stonehenge Portfolio ($0.9 million). The sale of 747 Madison, which occurred in 2014, did not meet the criteria for sale accounting at that time and, therefore, remained on our consolidated financial statement until the criteria was met in the second quarter of 2017. During the year ended December 31, 2016, in which we recognized a gain on the sale of our interests in 33 Beekman Street ($33.0 million), 7 Renaissance Square ($4.2 million), 1 Jericho ($3.3 million) and EOP Denver ($3.1 million).

Gain on Sale of Real Estate, Net

During the year ended December 31, 2017, we recognized a gain on sale associated with the sale of the property at 16 Court Street ($64.9 million), and the partial sale of the property at 102 Greene Street ($4.9 million). This gain was partially offset by a loss on the sale of 885 Third Avenue ($8.8 million) which closed in 2016, but was only recognized in the second quarter of 2017 due to the sale not meeting the criteria for sale accounting under the full accrual method in ASC 360-20 until the second quarter of 2017. During the year ended December 31, 2016 we recognized a gain on sale associated with the sales of 388-390 Greenwich ($206.5 million), a 49% interest in 400 East 57th Street ($23.9 million), 248-252 Bedford Avenue in Brooklyn, New York ($15.3 million), and a 40% interest in 11 Madison Avenue ($3.6 million), partially offset by the loss on the sale of 7 International Drive, Westchester County, NY ($6.9 million).

Depreciable Real Estate Reserves

During the year ended December 31, 2017, we recorded a $178.5 million of depreciable real estate reserves related to Reckson Executive Park, Stamford Towers, 125 Chubb Avenue in Lyndhurst, NJ, 115-117 Stevens Avenue in Valhalla, New York, 520 White Plains Road in Tarrytown, NY, and our investment in Jericho Plaza. During the year ended December 31, 2016, we recognized depreciable real estate reserves related to 500 West Putnam ($10.4 million).

Comparison of the year ended December 31, 2016 to the year ended December 31, 2015

The following comparison for the year ended December 31, 2016, or 2016, to the year ended December 31, 2015, or 2015, makes reference to the following: (i) the effect of the “Same-Store Properties,” which represents all operating properties owned by us at January 1, 2015 and still owned by us in the same manner at December 31, 2016 (Same-Store Properties totaled 55 of our 68 consolidated operating properties, representing 75.7% of our share of annualized cash rent), (ii) the effect of the “Acquisition Properties,” which represents all properties or interests in properties acquired in 2016 and 2015 and all non-Same-Store Properties, including properties that are under development, redevelopment or deconsolidated during the period, and (iii) “Other,” which represents corporate level items not allocable to specific properties, as well as the Service Corporation and eEmerge Inc. Any assets sold or held for sale are excluded from the income from continuing operations and from the following discussion.

	Same-Store				Acquisition		Other		Consolidated			
(in millions)	2016	2015	$ Change	% Change	2016	2015	2016	2015	2016	2015	$ Change	% Change
Rental revenue	$ 1,015.3	$ 996.2	$ 19.1	1.9 %	$ 144.9	$ 46.6	$ 163.6	$ 203.2	$ 1,323.8	$ 1,246.0	$ 77.8	6.2 %
Escalation and reimbursement	180.2	165.3	14.9	9.0 %	14.8	7.2	1.9	6.0	196.9	178.5	18.4	10.3 %
Investment income	—	—	—	— %	—	0.1	213.0	181.0	213.0	181.1	31.9	17.6 %
Other income	6.9	22.8	(15.9)	(69.7)%	1.3	7.0	122.1	27.4	130.3	57.2	73.1	127.8 %
Total revenues	1,202.4	1,184.3	18.1	1.5 %	161.0	60.9	500.6	417.6	1,864.0	1,662.8	201.2	12.1 %
Property operating expenses	530.1	514.2	15.9	3.1 %	39.4	13.5	25.0	39.5	594.5	567.2	27.3	4.8 %
Transaction related costs	—	—	—	— %	0.6	7.9	6.9	3.5	7.5	11.4	(3.9)	(34.2)%
Marketing, general and administrative	—	—	—	— %	—	—	99.8	94.9	99.8	94.9	4.9	5.2 %
	530.1	514.2	15.9	3.1 %	40.0	21.4	131.7	137.9	701.8	673.5	28.3	4.2 %
Net operating income	$ 672.3	$ 670.1	$ 2.2	0.3 %	$ 121.0	$ 39.5	$ 368.9	$ 279.7	$ 1,162.2	$ 989.3	$ 172.9	17.5 %
Other income (expenses):												
Interest expense and amortization of deferred financing costs, net of interest income									(345.8)	(351.2)	5.4	(1.5)%
Depreciation and amortization									(821.0)	(560.9)	(260.1)	46.4 %
Equity in net income from unconsolidated joint ventures									11.9	13.0	(1.1)	(8.5)%
Equity in net gain on sale of interest in unconsolidated joint venture/real estate									44.0	15.8	28.2	178.5 %
Purchase price fair value adjustment									—	40.1	(40.1)	(100.0)%
Gain on sale of real estate, net									238.1	176.0	62.1	35.3 %
Depreciable real estate reserves									(10.4)	(19.2)	8.8	(45.8)%
Gain on sale of investment in marketable securities									(0.1)	—	(0.1)	100.0 %
Income from continuing operation									278.9	302.9	(24.0)	(7.9)%
Net income from discontinued operations									—	0.4	(0.4)	(100.0)%
Gain on sale of discontinued operations									—	14.1	(14.1)	(100.0)%
Net income									$ 278.9	$ 317.4	$ (38.5)	(12.1)%

Rental, Escalation and Reimbursement Revenues

Rental revenues increased primarily as a result of the properties acquired ($98.2 million), which included the acquisition of 11 Madison in the third quarter of 2015 together with the subsequent sale of a 40% interest in 11 Madison in the third quarter of 2016 ($59.2 million), the consolidation of 600 Lexington Avenue in the fourth quarter of 2015 ($19.3 million), and an increase in rents at our Same-Store Properties ($19.1 million). In addition, rental revenues increased as a result of the accelerated recognition of non-cash deferred income from 388-390 Greenwich Street as a result of Citigroup, Inc. ("Citi") exercising its option to purchase the property and entering into an agreement to accelerate the sale ($37.1 million). This increase was partially offset by the sale of 120 West 45th Street in the third quarter of 2015 ($18.3 million), the sale of 885 Third Avenue in the first quarter of 2016 ($11.9 million), as well as accounting write-offs ($17.4 million) and decreased cash revenue ($2.0 million) related to the space previously leased to Aeropostale at 1515 Broadway following the tenant's bankruptcy.

Escalation and reimbursement revenue increased primarily as a result of higher real estate tax recoveries at the Same-Store Properties ($14.9 million) and Acquisition Properties ($7.6 million) attributable to an increase in the related tax expense. This was partially offset by decreased real estate tax recoveries due to the sale of 120 West 45th Street ($2.3 million), and 140 Grand Street ($1.3 million).

Occupancy in our Same-Store Manhattan consolidated office operating portfolio, excluding leases signed but not yet commenced was 95.9% at December 31, 2016 as compared to 96.5% at December 31, 2015. Occupancy for our Same-Store Suburban consolidated office operating portfolio, excluding leases signed but not yet commenced, increased to 84.4% at December 31, 2016 as compared to 81.4% at December 31, 2015.

The following table presents a summary of the commenced leasing activity for the year ended December 31, 2016 in our Manhattan and Suburban portfolio:

	Useable SF	Rentable SF	New Cash Rent (per rentable SF) [1]	Prev. Escalated Rent (per rentable SF) [2]	TI/LC per rentable SF	Free Rent (in months)	Average Lease Term (in years)
Manhattan							
Space available at beginning of the period	1,395,967						
Sold Vacancies	—						
Properties placed in service	235,629						
Space which became available during the period[3]							
• Office	1,024,824						
• Retail	83,256						
• Storage	14,198						
	1,122,278						
Total space available	2,753,874						
Leased space commenced during the period:							
• Office[4]	1,491,233	1,605,582	$ 68.68	$ 60.35	$ 56.85	7.0	10.5
• Retail	81,648	94,236	$ 173.91	$ 167.67	$ 50.16	5.7	16.3
• Storage	31,422	31,758	$ 24.01	$ 25.12	$ 37.46	14.5	12.4
Total leased space commenced	1,604,303	1,731,576	$ 73.59	$ 63.70	$ 56.13	7.1	10.8
Total available space at end of period	1,149,571						
Early renewals							
• Office	1,600,623	1,720,763	$ 73.88	$ 57.78	$ 30.47	3.5	10.5
• Retail	100,324	118,695	$ 105.52	$ 80.92	$ 28.43	0.6	14.5
• Storage	13,757	10,496	$ 20.70	$ 53.41	$ —	0.2	17.7
Total early renewals	1,714,704	1,849,954	$ 75.60	$ 59.24	$ 30.17	3.3	10.8
Total commenced leases, including replaced previous vacancy							
• Office		3,326,345	$ 71.37	$ 58.59	$ 43.20	5.2	10.5
• Retail		212,931	$ 135.79	$ 97.03	$ 38.05	2.9	15.3
• Storage		42,254	$ 23.19	$ 46.03	$ 28.15	10.9	13.8
Total commenced leases		3,581,530	$ 74.63	$ 60.62	$ 42.72	5.1	10.8

	Useable SF	Rentable SF	New Cash Rent (per rentable SF) [1]	Prev. Escalated Rent (per rentable SF) [2]	TI/LC per rentable SF	Free Rent (in months)	Average Lease Term (in years)
Suburban							
Space available at beginning of period	1,175,375						
Sold Vacancies	(63,292)						
Properties placed in service	—						
Space which became available during the period[3]							
• Office	270,255						
• Retail	2,336						
• Storage	960						
	273,551						
Total space available	1,385,634						
Leased space commenced during the period:							
• Office[5]	414,245	418,217	$ 31.65	$ 35.05	$ 39.27	7.5	8.9
• Retail	2,336	2,336	$ 31.04	$ 31.04	$ 6.47	3.5	9.3
• Storage	4,032	4,415	$ 13.28	$ 11.05	$ —	2.7	6.2
Total leased space commenced	420,613	424,968	$ 31.46	$ 34.95	$ 38.68	7.4	8.9
Total available space at end of the period	965,021						
Early renewals							
• Office	307,101	316,196	$ 38.30	$ 36.61	$ 15.48	4.0	4.9
• Retail	3,100	3,134	$ 225.00	$ 185.76	$ —	1.0	7.0
• Storage	1,996	1,996	$ 10.57	$ 10.57	$ —	—	3.7
Total early renewals	312,197	321,326	$ 39.95	$ 37.91	$ 15.23	3.9	4.9
Total commenced leases, including replaced previous vacancy							
• Office		734,413	$ 34.51	$ 36.05	$ 29.03	6.0	7.2
• Retail		5,470	$ 142.17	$ 119.69	$ 2.76	2.0	8.0
• Storage		6,411	$ 12.43	$ 10.64	$ —	1.9	5.4
Total commenced leases		746,294	$ 35.11	$ 36.84	$ 28.58	5.9	7.2

(1) Annual initial base rent.
(2) Escalated rent is calculated as total annual income less electric charges.
(3) Includes expiring space, relocating tenants and move-outs where tenants vacated. Excludes lease expirations where tenants held over.
(4) Average starting office rent excluding new tenants replacing vacancies was $63.17 per rentable square feet for 112,581 rentable square feet. Average starting office rent for office space (leased and early renewals, excluding new tenants replacing vacancies) was $70.94 per rentable square feet for 154,379 rentable square feet.
(5) Average starting office rent excluding new tenants replacing vacancies was $37.65 per rentable square feet for 24,635 rentable square feet. Average starting office rent for office space (leased and early renewals, excluding new tenants replacing vacancies) was $35.86 per rentable square feet for 63,040 rentable square feet.

Investment Income

Investment income increased primarily as a result of additional income recognized from the recapitalization of a debt investment ($41.0 million). This increase was partially offset by a lower weighted average yield and balance for the year ended December 31, 2016. For the twelve months ended December 31, 2016, the weighted average debt and preferred equity investment balance outstanding and weighted average yield were $1.5 billion and 9.7%, respectively, compared to $1.7 billion and 10.3%, respectively, for the same period in 2015. As of December 31, 2016, the debt and preferred equity investments had a fully extended weighted average term to maturity of 3.0 years.

Other Income

Other income increased primarily as a result of the lease termination fee earned in connection with the termination of the lease with Citi at 388-390 Greenwich Avenue ($94.0 million), and promote income earned in connection with the sale of 33

Beekman ($10.8 million), which was partially offset by a lease termination fee received at 919 Third Avenue in 2015 ($11.3 million).

Property Operating Expenses

Property operating expenses increased primarily as a result of properties acquired ($25.9 million), which includes the acquisition 11 Madison in the third quarter of 2015 together with the subsequent sale of a 40% interest in 11 Madison in the third quarter of 2016 ($9.9 million), the consolidation of 600 Lexington Avenue ($8.6 million) in the fourth quarter if 2015, and higher operating expenses at the Same-Store Properties ($15.5 million) primarily driven by real estate taxes ($13.5 million). These increases were partially offset by a decrease in expenses stemming from our sold properties ($17.7 million), which included the sale of 120 West 45th St in the third quarter of 2015 ($9.8 million).

Marketing, General and Administrative Expenses

Marketing, general and administrative expenses for the year ended December 31, 2016 were $99.8 million, or 4.7% of total combined revenues, including our share of joint venture revenues, and 53 basis points of total combined assets, including our share of joint venture assets compared to $94.9 million, or 5.0% of total revenues including our share of joint venture revenues, and 44 basis points of total combined assets including our share of joint venture assets for 2015.

Interest Expense and Amortization of Deferred Financing Costs, Net of Interest Income

Interest expense, net of interest income, decreased primarily as a result of the sale of 388-390 Greenwich Street in the second quarter of 2016 ($16.5 million), and the sale of 120 West 45th Street in the fourth quarter of 2015 ($7.7 million). These decreases were partially offset by the mortgage related to the acquisition of 11 Madison Avenue in the third quarter of 2015 ($20.8 million). The weighted average consolidated debt balance outstanding increased to $9.3 billion for the year ended December 31, 2016 from $9.2 billion for the year ended December 31, 2015. The weighted average interest rate was 3.87% for the year ended December 31, 2016 as compared to 3.78% for the year ended December 31, 2015.

Depreciation and Amortization

Depreciation and amortization increased primarily as a result of the accelerated depreciation expense related to 388-390 Greenwich Street as a result of Citi exercising its option to purchase the property and entering into an agreement to accelerate the sale ($329.7 million). The increase is also driven by the acquisition of 100% interest of 11 Madison in the third quarter of 2015 together with the subsequent sale of a 40% interest in 11 Madison in the third quarter of 2016 ($52.5 million). These increases were partially offset by the accelerated depreciation in 2015 related to vacating the properties that comprise the One Vanderbilt development site ($146.6 million).

Equity in Net Income in Unconsolidated Joint Venture/Real Estate

Equity in net income from unconsolidated joint ventures decreased primarily as a result of the sale of a 40% interest in 11 Madison in the third quarter of 2016. The sale did not meet the criteria for sale accounting until December 2016 resulting in recognition of the other partner's share of depreciation ($8.4 million) in addition to our share of the operations of the property. The decrease was partially offset by an increase at 1552-1560 Broadway ($4.6 million) as a result of the settlement in February 2016 of arbitration regarding a tenant's rent at the property and revenue from a debt and preferred equity investment that was contributed to a joint venture in the first quarter of 2016 ($4.5 million), and from the increase at 650 Fifth Avenue as a result of the loan refinance in the third quarter of 2016 ($3.6 million).

Equity in Net Gain on Sale of Interest in Unconsolidated Joint Ventures

During the year ended December 31, 2016 we recognized a gain on the sale of 33 Beekman Street ($33.0 million), 7 Renaissance Square ($4.2 million), 1 Jericho ($3.3 million) and EOP Denver ($3.1 million), compared to the year ended December 31, 2015, in which we recognized a gain on sale associated with the sale of our joint venture interest at 315 West 36th Street ($16.3 million), partially offset by a loss on the sale of our joint venture interest at the Meadows ($1.6 million).

Purchase Price Fair Value Adjustment

The purchase price fair value adjustment for the year ended December 31, 2015 was attributable to the acquisition of our joint venture partner's interest in 600 Lexington Avenue.

Gain on Sale of Real Estate

During the year ended December 31, 2016, we recognized a gain on sale associated with the sales of 388-390 Greenwich ($206.5 million), a 49% interest in 400 East 57th Street ($23.9 million), 248-252 Bedford Avenue in Brooklyn, New York ($15.3 million), and a 40% interest in 11 Madison Avenue ($3.6 million), partially offset by the loss on the sale of 7 International Drive, Westchester County, NY ($6.9 million). During the year ended December 31, 2015 we recognized a gain on sale associated with the sales of an 80% interest in 131-137 Spring Street ($101.1 million), 120 West 45th Street ($58.6 million), 570 & 574 Fifth Avenue ($24.6 million), partially offset by a loss on the sale of 885 Third Avenue ($6.6 million).

Depreciable Real Estate Reserves

During the year ended December 31, 2016, we recognized depreciable real estate reserves related to the sale of 500 West Putnam ($10.4 million), as compared to the same period in 2015 when we recognized depreciable real estate reserves related to the sale of two properties ($19.2 million).

Discontinued Operations

Discontinued operations for the year ended December 31, 2015 included the gain recognized on the sale of 180 Maiden Lane ($17.0 million) and the related results of operations. The Company adopted ASU 2014-08 effective January 1, 2015 which raised the threshold for disposals to qualify as discontinued operations to dispositions which represent a strategic shift in an entity's operations. The guidance was applied prospectively for new disposals. As a result, the results of operations for 388-390 Greenwich Street, which was classified as held for sale at March 31, 2016, 500 West Putnam Avenue, which was classified as held for sale at June 30, 2016 and 400 East 57th Street which was held for sale at September 30, 2016, are included in continuing operations for year ended December 31, 2016.

Liquidity and Capital Resources

We currently expect that our principal sources of funds to meet our short-term and long-term liquidity requirements for working capital, acquisitions, development or redevelopment of properties, tenant improvements, leasing costs, common share repurchases, repurchases or repayments of outstanding indebtedness (which may include exchangeable debt) and for debt and preferred equity investments may include:

(1) Cash flow from operations;
(2) Cash on hand;
(3) Net proceeds from divestitures of properties and redemptions, participations and dispositions of debt and preferred equity investments;
(4) Borrowings under the 2017 credit facility;
(5) Other forms of secured or unsecured financing; and
(6) Proceeds from common or preferred equity or debt offerings by the Company, the Operating Partnership (including issuances of units of limited partnership interest in the Operating Partnership and Trust preferred securities) or ROP.

Cash flow from operations is primarily dependent upon the occupancy level of our portfolio, the net effective rental rates achieved on our leases, the collectability of rent, operating escalations and recoveries from our tenants and the level of operating and other costs. Additionally, we believe that our debt and preferred equity investment program will continue to serve as a source of operating cash flow.

The combined aggregate principal maturities of our property mortgages and other loans payable, corporate obligations and our share of joint venture debt, including as-of-right extension options, as of December 31, 2017 were as follows (in thousands):

	2018	2019	2020	2021	2022	Thereafter	Total
Property mortgages and other loans	$ 153,593	$ 42,289	$ 703,018	$ 11,656	$ 208,003	$ 1,656,623	$ 2,775,182
MRA and FHLB facilities	90,809	—	—	—	—	—	90,809
Corporate obligations	250,000	—	250,000	—	800,000	1,740,000	3,040,000
Joint venture debt-our share	200,250	717,682	473,809	449,740	223,330	2,119,481	4,184,292
Total	$ 694,652	$ 759,971	$ 1,426,827	$ 461,396	$ 1,231,333	$ 5,516,104	$ 10,090,283

As of December 31, 2017, we had $156.5 million of consolidated cash on hand, inclusive of $28.6 million of marketable securities. We expect to generate positive cash flow from operations for the foreseeable future. We may seek to divest of properties or interests in properties or access private and public debt and equity capital when the opportunity presents itself, although there is no guarantee that this capital will be made available to us at efficient levels or at all. Management believes that these sources of liquidity, if we are able to access them, along with potential refinancing opportunities for secured debt, will allow us to satisfy our debt obligations, as described above, upon maturity, if not before.

We also have investments in several real estate joint ventures with various partners who we consider to be financially stable and who have the ability to fund a capital call when needed. Most of our joint ventures are financed with non-recourse debt. We believe that property level cash flows along with unfunded committed indebtedness and proceeds from the refinancing of outstanding secured indebtedness will be sufficient to fund the capital needs of our joint venture properties.

Cash Flows

The following summary discussion of our cash flows is based on our consolidated statements of cash flows in "Item 1. Financial Statements" and is not meant to be an all-inclusive discussion of the changes in our cash flows for the years presented below.

Cash and cash equivalents were $127.9 million and $279.4 million at December 31, 2017 and 2016, respectively, representing a decrease of $151.5 million. The decrease was a result of the following changes in cash flows (in thousands):

	Year Ended December 31,		
	2017	**2016**	**(Decrease) Increase**
Net cash provided by operating activities	**$ 548,373**	$ 634,714	$ (86,341)
Net cash (used in) provided by investing activities	**$ (18,851)**	$ 2,122,570	$ (2,141,421)
Net cash (used in) provided by financing activities	**$ (681,077)**	$ (2,733,240)	$ 2,052,163

Our principal source of operating cash flow is related to the leasing and operating of the properties in our portfolio. Our properties provide a relatively consistent stream of cash flow that provides us with resources to pay operating expenses, debt service, and fund quarterly dividend and distribution requirements. Our debt and preferred equity investments and joint venture investments also provide a steady stream of operating cash flow to us.

Cash is used in investing activities to fund acquisitions, development or redevelopment projects and recurring and nonrecurring capital expenditures. We selectively invest in new projects that enable us to take advantage of our development, leasing, financing and property management skills, and invest in existing buildings that meet our investment criteria. During the year ended December 31, 2017, when compared to the year ended December 31, 2016, we used cash primarily for the following investing activities (in thousands):

Acquisitions of real estate	$ 24,080
Capital expenditures and capitalized interest	76,697
Escrow cash-capital improvements/acquisition deposits/deferred purchase price	(95,873)
Joint venture investments	(304,793)
Distributions from joint ventures	123,534
Proceeds from sales of real estate/partial interest in property	(1,830,037)
Debt and preferred equity and other investments	(135,029)
Increase in net cash used in investing activities	$ (2,141,421)

Funds spent on capital expenditures, which are comprised of building and tenant improvements, decreased from $412.0 million for the year ended December 31, 2016 to $335.3 million for the year ended December 31, 2017. The decrease in capital expenditures relates primarily to lower costs incurred in connection with the redevelopment of properties.

We generally fund our investment activity through the sale of real estate, property-level financing, our credit facilities, our MRA facilities, senior unsecured notes, convertible or exchangeable securities, and construction loans. From time to time, the Company may issue common or preferred stock, or the Operating Partnership may issue common or preferred units of limited partnership interest. During the year ended December 31, 2017, when compared to the year ended December 31, 2016, we used cash for the following financing activities (in thousands):

Proceeds from our debt obligations	$ 1,921,465
Repayments of our debt obligations	977,665
Net distribution to noncontrolling interests	(4,706)
Other financing activities	(27,947)
Proceeds from stock options exercised and DRSPP issuance	8,428
Proceeds from sale of common stock	—
Repurchase of common stock	(806,302)
Redemption of preferred stock	3,024
Dividends and distributions paid	(19,464)
Increase in net cash provided by financing activities	$ 2,052,163

Capitalization

Our authorized capital stock consists of 260,000,000 shares, $0.01 par value per share, consisting of 160,000,000 shares of common stock, $0.01 par value per share, 75,000,000 shares of excess stock, at $0.01 par value per share, and 25,000,000 shares of preferred stock, $0.01 par value per share. As of December 31, 2017, 92,803,299 shares of common stock and no shares of excess stock were issued and outstanding.

Stock Repurchase Program

In August 2016, our board of directors approved a stock repurchase plan under which we can buy up to $1.0 billion of shares of our common stock. In December 2017, our board of directors authorized an increase to the size of this plan by an additional $500 million of our common stock, bringing it to a total of $1.5 billion of shares.

At December 31, 2017 repurchases under the plan were as follows:

Period	Number of shares purchased	Average price paid per share	Cumulative number of shares purchased as part of the repurchase plan or programs	Maximum approximate dollar value of shares that may yet be purchased under the plan (in millions) (1)
First quarter 2017	63,812	$103.84	63,812	$1,493.4
Second quarter 2017	2,384,323	$103.40	2,448,135	$1,246.8
Third quarter 2017	951,866	$101.67	3,400,001	$1,150.0
Fourth quarter 2017 (2)	4,942,410	$100.76	8,342,411	$652.0

(1) Reflective of $1.5 billion plan maximum as of December 31, 2017.
(2) Includes 413,700 shares of common stock repurchased by the Company in December 2017 that were settled in January 2018.

At-The-Market Equity Offering Program

In June 2014, the Company, along with the Operating Partnership, entered into an ATM Program to sell an aggregate of $300.0 million of our common stock. During the year ended December 31, 2015, we sold 895,956 shares of our common stock for aggregate net proceeds of $113.4 million comprising the remaining balance of this ATM Program. The net proceeds from these offerings were contributed to the Operating Partnership in exchange for 895,956 units of limited partnership interest of the Operating Partnership.

In March 2015, the Company, along with the Operating Partnership, entered into a new ATM Program to sell an aggregate of $300.0 million of our common stock. The Company did not make any sales of its common stock under an ATM program in the years ended December 31, 2016 and December 31, 2017.

Dividend Reinvestment and Stock Purchase Plan

In February 2015, the Company filed a registration statement with the SEC for our dividend reinvestment and stock purchase plan, or DRSPP, which automatically became effective upon filing. The Company registered 3,500,000 shares of our common stock under the DRSPP. The DRSPP commenced on September 24, 2001.

The following table summarizes SL Green common stock issued, and proceeds received from dividend reinvestments and/or stock purchases under the DRSPP for the year ended December 31, 2017, 2016, and 2015, respectively (in thousands):

	Year Ended December 31,		
	2017	**2016**	**2015**
Common Stock Shares Issued	**2,141**	2,687	775,760
Dividend reinvestments/stock purchases under the DRSPP	**$ 223**	$ 277	$ 99,555

Fourth Amended and Restated 2005 Stock Option and Incentive Plan

The Fourth Amended and Restated 2005 Stock Option and Incentive Plan, or the 2005 Plan, was approved by the Company's board of directors in April 2016 and its stockholders in June 2016 at the Company's annual meeting of stockholders. Subject to adjustments upon certain corporate transactions or events, awards with respect to up to a maximum of 27,030,000 fungible units may be granted as options, restricted stock, phantom shares, dividend equivalent rights and other equity-based awards under the 2005 Plan. As of December 31, 2017, 8.3 million fungible units were available for issuance under the 2005 Plan after reserving for shares underlying outstanding restricted stock units, phantom stock units granted pursuant to our Non-Employee Directors' Deferral Program and LTIP Units.

2011 Outperformance Plan

In August 2011, the compensation committee of the Company's board of directors approved the general terms of the SL Green Realty Corp. 2011 Outperformance Plan, or the 2011 Outperformance Plan. Participants in the 2011 Outperformance Plan could earn, in the aggregate, up to $85.0 million of LTIP Units in the Operating Partnership based on our total return to stockholders for the three-year period beginning September 1, 2011. Under the 2011 Outperformance Plan, participants were entitled to share in a "performance pool" comprised of LTIP Units with a value equal to 10% of the amount by which our total return to stockholders during the three-year period exceeded a cumulative total return to stockholders of 25%, subject to the maximum of $85.0 million of LTIP Units; provided that if maximum performance was achieved, one-third of each award could be earned at any time after the beginning of the second year and an additional one-third of each award could be earned at any time after the beginning of the third year. LTIP Units earned under the 2011 Outperformance Plan were subject to vesting requirements, with 50% of any awards earned vesting on August 31, 2014 and the remaining 50% vesting on August 31, 2015, based on continued employment with us through such dates. Participants were not entitled to distributions with respect to LTIP Units granted under the 2011 Outperformance Plan unless and until they were earned. For LTIP Units that were earned, each participant was also entitled to the distributions that would have been paid had the number of earned LTIP Units been issued at the beginning of the performance period, with such distributions being paid in the form of additional LTIP Units. Thereafter, distributions are paid currently with respect to all earned LTIP Units, whether vested or unvested. In June 2014, the compensation committee determined that maximum performance had been achieved during the third year of the performance period and, accordingly, 560,908 LTIP Units, representing two-thirds of each award, were earned, subject to vesting, under the 2011 Outperformance Plan. In September 2014, the compensation committee determined that maximum performance had been achieved for the full three-year performance period and, accordingly, 280,454 LTIP units, representing the final third of each award, were earned, subject to vesting, under the 2011 Outperformance Plan.

The cost of the 2011 Outperformance Plan ($26.7 million, subject to forfeitures) was amortized into earnings through the final vesting period. We recorded no compensation expense during the year ended December 31, 2017,no compensation expense during the year ended December 31, 2016, and $4.5 million during the year ended December 31, 2015 related to the 2011 Outperformance Plan.

2014 Outperformance Plan

In August 2014, the compensation committee of the Company's board of directors approved the general terms of the SL Green Realty Corp. 2014 Outperformance Plan, or the 2014 Outperformance Plan. Participants in the 2014 Outperformance Plan could earn, in the aggregate, up to 610,000 LTIP Units in our Operating Partnership based on our total return to stockholders for the three-year period beginning September 1, 2014. Under the 2014 Outperformance Plan, two-thirds of the LTIP Units were subject to performance based vesting based on the Company's absolute total return to stockholders and one-third of the LTIP Units were subject to performance based vesting based on relative total return to stockholders compared to the constituents of the MSCI REIT Index. LTIP Units earned under the 2014 Outperformance Plan were to be subject to continued vesting requirements, with 50% of any awards earned vesting on August 31, 2017 and the remaining 50% vesting on August 31, 2018, subject to continued employment with us through such dates. Participants were not entitled to distributions with respect to LTIP Units granted under the 2014 Outperformance Plan unless and until they are earned. If LTIP Units were earned, each participant would have been entitled to the distributions that would have been paid had the number of earned LTIP Units been issued at the beginning of the performance period, with such distributions being paid in the form of cash or additional LTIP Units. Thereafter, distributions were paid currently with respect to all earned LTIP Units, whether vested or unvested.

Based on our performance, none of the LTIP Units granted under the 2014 Outperformance Plan were earned pursuant to the terms of the 2014 Outperformance Plan, and all units issued were forfeited in 2017.

The cost of the 2014 Outperformance Plan ($27.9 million subject to forfeitures), based on the portion of the 2014 Outperformance Plan granted prior to termination, was amortized into earnings through December 31, 2017. We recorded compensation expense of $13.6 million, $8.4 million, and $5.9 million during the years ended December 31, 2017, 2016, and 2015, respectively, related to the 2014 Outperformance Plan.

Deferred Compensation Plan for Directors

Under our Non-Employee Director's Deferral Program, which commenced July 2004, the Company's non-employee directors may elect to defer up to 100% of their annual retainer fee, chairman fees, meeting fees and annual stock grant. Unless otherwise elected by a participant, fees deferred under the program shall be credited in the form of phantom stock units. The program provides that a director's phantom stock units generally will be settled in an equal number of shares of common stock upon the earlier of (i) the January 1 coincident with or the next following such director's termination of service from the Board of Directors or (ii) a change in control by us, as defined by the program. Phantom stock units are credited to each non-employee director quarterly using the closing price of our common stock on the first business day of the respective quarter. Each participating non-employee director is also credited with dividend equivalents or phantom stock units based on the dividend rate for each quarter, which are either paid in cash currently or credited to the director's account as additional phantom stock units.

During the year ended December 31, 2017, 12,727 phantom stock units were earned and 9,509 shares of common stock were issued to our board of directors. We recorded compensation expense of $2.4 million during the year ended December 31, 2017 related to the Deferred Compensation Plan. As of December 31, 2017, there were 99,853 phantom stock units outstanding pursuant to our Non-Employee Director's Deferral Program.

Employee Stock Purchase Plan

In 2007, the Company's board of directors adopted the 2008 Employee Stock Purchase Plan, or ESPP, to encourage our employees to increase their efforts to make our business more successful by providing equity-based incentives to eligible employees. The ESPP is intended to qualify as an "employee stock purchase plan" under Section 423 of the Code, and has been adopted by the board to enable our eligible employees to purchase the Company's shares of common stock through payroll deductions. The ESPP became effective on January 1, 2008 with a maximum of 500,000 shares of the common stock available for issuance, subject to adjustment upon a merger, reorganization, stock split or other similar corporate change. The Company filed a registration statement on Form S-8 with the SEC with respect to the ESPP. The common stock is offered for purchase through a series of successive offering periods. Each offering period will be three months in duration and will begin on the first day of each calendar quarter, with the first offering period having commenced on January 1, 2008. The ESPP provides for eligible employees to purchase the common stock at a purchase price equal to 85% of the lesser of (1) the market value of the common stock on the first day of the offering period or (2) the market value of the common stock on the last day of the offering period. The ESPP was approved by our stockholders at our 2008 annual meeting of stockholders. As of December 31, 2017, 104,597 shares of our common stock had been issued under the ESPP.

Market Capitalization

At December 31, 2017, borrowings under our mortgages and other loans payable, 2017 credit facility, senior unsecured notes, trust preferred securities and our share of joint venture debt represented 49.4% of our combined market capitalization of $20.4 billion (based on a common stock price of $100.93 per share, the closing price of our common stock on the NYSE on December 31, 2017). Market capitalization includes our consolidated debt, common and preferred stock and the conversion of all units of limited partnership interest in the Operating Partnership, and our share of joint venture debt.

Indebtedness

The table below summarizes our consolidated mortgages and other loans payable, 2017 credit facility, senior unsecured notes and trust preferred securities outstanding at December 31, 2017 and 2016, (amounts in thousands).

	December 31,	
Debt Summary:	**2017**	**2016**
Balance		
Fixed rate	**$ 3,805,165**	$ 4,094,390
Variable rate—hedged	**500,000**	1,357,694
Total fixed rate	**4,305,165**	5,452,084
Total variable rate	**1,605,431**	1,105,585
Total debt	**$ 5,910,596**	$ 6,557,669
Debt, preferred equity, and other investments subject to variable rate	1,325,166	1,359,744
Net exposure to variable rate debt	280,265	(254,159)
Percent of Total Debt:		
Fixed rate	**72.8%**	83.1%
Variable rate	**27.2%**	16.9%
Total	**100.0%**	100.0%
Effective Interest Rate for the Year:		
Fixed rate	**4.31%**	4.35%
Variable rate	**2.76%**	2.10%
Effective interest rate	**4.00%**	3.82%

The variable rate debt shown above generally bears interest at an interest rate based on 30-day LIBOR (1.56% and 0.77% at December 31, 2017 and 2016, respectively). Our consolidated debt at December 31, 2017 had a weighted average term to maturity of 5.38 years.

Certain of our debt and equity investments and other investments, with a carrying value of $1.3 billion at December 31, 2017, are variable rate investments which mitigate our exposure to interest rate changes on our unhedged variable rate debt.

Mortgage Financing

As of December 31, 2017, our total mortgage debt (excluding our share of joint venture mortgage debt of $4.2 billion) consisted of $2.4 billion of fixed rate debt, including swapped variable rate debt, with an effective weighted average interest rate of 4.78% and $0.5 billion of variable rate debt with an effective weighted average interest rate of 3.28%.

Corporate Indebtedness

2017 Credit Facility

In November 2017, we entered into an amendment to the credit facility, referred to as the 2017 credit facility, that was originally entered into by the Company in November 2012, or the 2012 credit facility. As of December 31, 2017, the 2017 credit facility consisted of a $1.5 billion revolving credit facility, a $1.3 billion term loan (or "Term Loan A"), and a $200.0 million term loan (or "Term Loan B") with maturity dates of March 31, 2022, March 31, 2023, and November 21, 2024, respectively. The revolving credit facility has two six-month as-of-right extension options to March 31, 2023. We also have an option, subject to customary conditions, to increase the capacity of the credit facility to $4.5 billion at any time prior to the maturity dates for the revolving credit facility and term loans without the consent of existing lenders, by obtaining additional commitments from our existing lenders and other financial institutions.

As of December 31, 2017, the 2017 credit facility bore interest at a spread over 30-day LIBOR ranging from (i) 82.5 basis points to 155 basis points for loans under the revolving credit facility, (ii) 90 basis points to 175 basis points for loans under Term Loan A, and (iii) 150 basis points to 245 basis points for loans under Term Loan B, in each case based on the credit rating assigned to the senior unsecured long term indebtedness of the Company.

At December 31, 2017, the applicable spread was 100 basis points for the revolving credit facility, 110 basis points for Term Loan A, and 165 basis points for Term Loan B. We are required to pay quarterly in arrears a 12.5 to 30 basis point facility fee on the total commitments under the revolving credit facility based on the credit rating assigned to the senior unsecured long term indebtedness of the Company. As of December 31, 2017, the facility fee was 20 basis points.

As of December 31, 2017, we had $11.8 million of outstanding letters of credit, $40.0 million drawn under the revolving credit facility and $1.5 billion outstanding under the term loan facilities, with total undrawn capacity of $1.4 billion under the 2017 credit facility. At December 31, 2017 and December 31, 2016, the revolving credit facility had a carrying value of $30.3 million and $(6.3) million, respectively, net of deferred financing costs. The December 31, 2016 carrying value represents deferred financing costs and is presented within other liabilities. At December 31, 2017 and December 31, 2016, the term loan facilities had a carrying value of $1.5 billion and $1.2 billion, respectively, net of deferred financing costs.

The Company and the Operating Partnership are borrowers jointly and severally obligated under the 2017 credit facility. ROP is a guarantor under the 2017 credit facility.

The 2017 credit facility includes certain restrictions and covenants (see Restrictive Covenants below).

Federal Home Loan Bank of New York Facility

The Company’s wholly-owned subsidiary, Belmont Insurance Company, or Belmont, a New York licensed captive insurance company, was a member of the Federal Home Loan Bank of New York, or FHLBNY. In January 2017, all funds borrowed from the FHLBNY were repaid and Belmont's membership was terminated in February 2017.

Master Repurchase Agreements

The Company has entered into two Master Repurchase Agreements, or MRAs, known as the 2016 MRA and 2017 MRA, which provide us with the ability to sell certain debt investments with a simultaneous agreement to repurchase the same at a certain date or on demand. We seek to mitigate risks associated with our repurchase agreement by managing the credit quality of our assets, early repayments, interest rate volatility, liquidity, and market value. The margin call provisions under our repurchase facilities permit valuation adjustments based on capital markets activity, and are not limited to collateral-specific credit marks. To monitor credit risk associated with our debt investments, our asset management team regularly reviews our investment portfolio and is in contact with our borrowers in order to monitor the collateral and enforce our rights as necessary. The risk associated with potential margin calls is further mitigated by our ability to recollateralize the facility with additional assets from our portfolio of debt investments, our ability to satisfy margin calls with cash or cash equivalents and our access to additional liquidity through the 2017 credit facility, as defined above.

In June 2017, we entered into the 2017 MRA, with a maximum facility capacity of $300.0 million. The facility bears interest on a floating rate basis at a spread to 30-day LIBOR based on the pledged collateral and advance rate and has an initial one year

term, with two one year extension options. At December 31, 2017, the facility had a carrying value of $90.1 million, net of deferred financing costs.

In July 2016, we entered into a restated 2016 MRA, with a maximum facility capacity of $300.0 million. The facility bears interest ranging from 225 and 400 basis points over 30-day LIBOR depending on the pledged collateral and has an initial two-year term, with a one year extension option. Since December 6, 2015, we have been required to pay monthly in arrears a 25 basis point fee on the excess of $150.0 million over the average daily balance during the period when the average daily balance is less than $150.0 million. At December 31, 2017, the facility had a carrying value of $(1.2) million, representing deferred financing costs presented within other liabilities.

At December 31, 2017 and 2016, the gross book value of the properties and debt and preferred equity investments collateralizing the mortgages and other loans payable, not including assets held for sale, was approximately $4.8 billion and $6.0 billion, respectively.

Senior Unsecured Notes

The following table sets forth our senior unsecured notes and other related disclosures as of December 31, 2017 and 2016, respectively, by scheduled maturity date (dollars in thousands):

Issuance	December 31, 2017 Unpaid Principal Balance	December 31, 2017 Accreted Balance	December 31, 2016 Accreted Balance	Coupon Rate [1]	Initial Term (in Years)	Maturity Date
August 5, 2011 [2]	**$ 250,000**	**$ 249,953**	$ 249,880	5.00%	7	August 2018
March 16, 2010 [2]	**250,000**	**250,000**	250,000	7.75%	10	March 2020
October 5, 2017 [3]	**500,000**	**499,489**	—	3.25%	5	October 2022
November 15, 2012 [4]	**300,000**	**305,163**	200,000	4.50%	10	December 2022
December 17, 2015 [2]	**100,000**	**100,000**	100,000	4.27%	10	December 2025
October 12, 2010 [5]	**—**	**—**	334,077			
	$ 1,400,000	**$ 1,404,605**	$ 1,133,957			
Deferred financing costs, net		**(8,666)**	(5,642)			
	$ 1,400,000	**$ 1,395,939**	$ 1,128,315			

(1) Interest on the senior unsecured notes is payable semi-annually with principal and unpaid interest due on the scheduled maturity dates.
(2) Issued by the Company, the Operating Partnership and ROP, as co-obligors.
(3) Issued by the Operating Partnership with the Company and ROP as guarantors.
(4) In October 2017, the Company, the Operating Partnership and ROP, as co-obligors, issued an additional $100.0 million of 4.50% senior unsecured notes due December 2022. The notes were priced at 105.334%.
(5) In accordance with the terms of the indenture, the notes became exchangeable commencing September 14, 2017 and the Operating Partnership elected to settle exchanges in cash. In October 2017, all note holders elected to exchange the notes and the notes were repaid for $350.8 million, excluding accrued interest based on the applicable exchange rate.

Restrictive Covenants

The terms of the 2017 credit facility and certain of our senior unsecured notes include certain restrictions and covenants which may limit, among other things, our ability to pay dividends, make certain types of investments, incur additional indebtedness, incur liens and enter into negative pledge agreements and dispose of assets, and which require compliance with financial ratios relating to the maximum ratio of total indebtedness to total asset value, a minimum ratio of EBITDA to fixed charges, a maximum ratio of secured indebtedness to total asset value and a maximum ratio of unsecured indebtedness to unencumbered asset value. The dividend restriction referred to above provides that, we will not during any time when a default is continuing, make distributions with respect to common stock or other equity interests, except to enable the Company to continue to qualify as a REIT for Federal income tax purposes. As of December 31, 2017 and 2016, we were in compliance with all such covenants.

Junior Subordinated Deferrable Interest Debentures

In June 2005, the Company and the Operating Partnership issued $100.0 million in unsecured trust preferred securities through a newly formed trust, SL Green Capital Trust I, or the Trust, which is a wholly-owned subsidiary of the Operating Partnership. The securities mature in 2035 and bear interest at a floating rate of 125 basis points over the three-month LIBOR. Interest payments may be deferred for a period of up to eight consecutive quarters if the Operating Partnership exercises its right to defer such payments. The Trust preferred securities are redeemable at the option of the Operating Partnership, in whole or in part, with no prepayment premium. We do not consolidate the Trust even though it is a variable interest entity as we are not the primary beneficiary. Because the Trust is not consolidated, we have recorded the debt on our consolidated balance sheets and the related payments are classified as interest expense.

Interest Rate Risk

We are exposed to changes in interest rates primarily from our variable rate debt. Our exposure to interest rate fluctuations are managed through either the use of interest rate derivative instruments and/or through our variable rate debt and preferred equity investments. A hypothetical 100 basis point increase in interest rates along the entire interest rate curve for 2017 would increase our consolidated annual interest cost, net of interest income from variable rate debt and preferred equity investments, by $2.7 million and would increase our share of joint venture annual interest cost by $17.2 million. At December 31, 2017, 61.5% of our $2.1 billion debt and preferred equity portfolio is indexed to LIBOR.

We recognize most derivatives on the balance sheet at fair value. Derivatives that are not hedges are adjusted to fair value through income. If a derivative is considered a hedge, depending on the nature of the hedge, changes in the fair value of the derivative will either be offset against the change in fair value of the hedged asset, liability, or firm commitment through earnings, or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value is immediately recognized in earnings.

Our long-term debt of $4.3 billion bears interest at fixed rates, and therefore the fair value of these instruments is affected by changes in the market interest rates. Our variable rate debt and variable rate joint venture debt as of December 31, 2017 bore interest based on a spread of LIBOR plus 100 basis points to LIBOR plus 415 basis points.

Contractual Obligations

The combined aggregate principal maturities of mortgages and other loans payable, the 2017 credit facility, senior unsecured notes (net of discount), trust preferred securities, our share of joint venture debt, including as-of-right extension options and put options, estimated interest expense, and our obligations under our capital lease and ground leases, as of December 31, 2017 are as follows (in thousands):

	2018	2019	2020	2021	2022	Thereafter	Total
Property mortgages and other loans	$ 153,593	$ 42,289	$ 703,018	$ 11,656	$ 208,003	$ 1,656,623	$ 2,775,182
MRA facilities	90,809	—	—	—	—	—	90,809
Revolving credit facility	—	—	—	—	—	40,000	40,000
Unsecured term loans	—	—	—	—	—	1,500,000	1,500,000
Senior unsecured notes	250,000	—	250,000	—	800,000	100,000	1,400,000
Trust preferred securities	—	—	—	—	—	100,000	100,000
Capital lease	2,387	2,411	2,620	2,794	2,794	819,894	832,900
Ground leases	31,049	31,066	31,436	31,628	29,472	703,254	857,905
Estimated interest expense	226,815	218,019	184,376	163,648	155,398	281,694	1,229,950
Joint venture debt	200,250	717,682	473,809	449,740	223,330	2,119,481	4,184,292
Total	$ 954,903	$ 1,011,467	$ 1,645,259	$ 659,466	$ 1,418,997	$ 7,320,946	$ 13,011,038

Off-Balance Sheet Arrangements

We have off-balance sheet investments, including joint ventures and debt and preferred equity investments. These investments all have varying ownership structures. Substantially all of our joint venture arrangements are accounted for under the equity method of accounting as we have the ability to exercise significant influence, but not control, over the operating and financial decisions of these joint venture arrangements. Our off-balance sheet arrangements are discussed in Note 5, "Debt and Preferred Equity Investments" and Note 6, "Investments in Unconsolidated Joint Ventures" in the accompanying consolidated financial statements.

Capital Expenditures

We estimate that for the year ending December 31, 2018, we expect to incur $147.3 million of recurring capital expenditures and $108.8 million of development or redevelopment expenditures, net of loan reserves, (including tenant improvements and leasing commissions) on existing consolidated properties, and our share of capital expenditures at our joint venture properties, net of loan reserves, will be $502.7 million. Future property acquisitions may require substantial capital investments for refurbishment and leasing costs. We expect to fund these capital expenditures with operating cash flow, existing liquidity, or incremental borrowings. We expect our capital needs over the next twelve months and thereafter will be met through a combination of cash on hand, net cash provided by operations, potential asset sales, borrowings or additional equity or debt issuances.

Dividends/Distributions

We expect to pay dividends to our stockholders based on the distributions we receive from our Operating Partnership primarily from property revenues net of operating expenses or, if necessary, from working capital.

To maintain our qualification as a REIT, we must pay annual dividends to our stockholders of at least 90% of our REIT taxable income, determined before taking into consideration the dividends paid deduction and net capital gains. We intend to continue to pay regular quarterly dividends to our stockholders. Based on our current annual dividend rate of $3.25 per share, we would pay $316.1 million in dividends to our common stockholders on an annual basis. Before we pay any dividend, whether for Federal income tax purposes or otherwise, which would only be paid out of available cash to the extent permitted under the 2017 credit facility and senior unsecured notes, we must first meet both our operating requirements and scheduled debt service on our mortgages and loans payable.

Related Party Transactions

Cleaning/ Security/ Messenger and Restoration Services

Alliance Building Services, or Alliance, and its affiliates are partially owned by Gary Green, a son of Stephen L. Green, the chairman of our board of directors, and provide services to certain properties owned by us. Alliance’s affiliates include First Quality Maintenance, L.P., or First Quality, Classic Security LLC, Bright Star Couriers LLC and Onyx Restoration Works, and provide cleaning, extermination, security, messenger, and restoration services, respectively. In addition, First Quality has the non-exclusive opportunity to provide cleaning and related services to individual tenants at our properties on a basis separately negotiated with any tenant seeking such additional services. The Service Corporation has entered into an arrangement with Alliance whereby it will receive a profit participation above a certain threshold for services provided by Alliance to certain tenants at certain buildings above the base services specified in their lease agreements.

Income earned from the profit participation, which is included in other income on the consolidated statements of operations, was $3.9 million, $3.5 million and $3.8 million for the years ended December 31, 2017, 2016 and 2015, respectively.

We also recorded expenses, inclusive of capitalized expenses, of $22.6 million, $23.4 million and $21.3 million the years ended December 31, 2017, 2016 and 2015, respectively, for these services (excluding services provided directly to tenants).

Management Fees

S.L. Green Management Corp., a consolidated entity, receives property management fees from an entity in which Stephen L. Green owns an interest. We received management fees from this entity of $0.5 million, $0.7 million and $0.5 million for the years ended December 31, 2017, 2016, and 2015 respectively.

One Vanderbilt Investment

In December 2016, we entered into agreements with entities owned and controlled by Marc Holliday and Andrew Mathias, pursuant to which they agreed to make an investment in our One Vanderbilt project at the appraised fair market value for the interests acquired. This investment entitles these entities to receive approximately 1.50% - 1.80% and 1.00% - 1.20%, respectively, of any profits realized by the Company from its One Vanderbilt project in excess of the Company’s capital contributions. The entities have no right to any return of capital. Accordingly, subject to previously disclosed repurchase rights, these interests will have no value and will not entitle these entities to any amounts (other than limited distributions to cover tax liabilities incurred) unless and until the Company has received distributions from the One Vanderbilt project in excess of the Company’s aggregate investment in the project. In the event that the Company does not realize a profit on its investment in the project (or would not realize a profit based on the value at the time the interests are repurchased), the entities owned and controlled by Messrs. Holliday and Mathias will lose the entire amount of their investment. The entities owned and controlled by Messrs. Holliday and Mathias paid $1.4 million and $1.0 million, respectively, which equal the fair market value of the interests acquired as of the date the investment agreements were entered into as determined by an independent third party appraisal that we obtained.

Messrs. Holliday and Mathias cannot monetize their interests until after stabilization of the property (50% within three years after stabilization and 100% three years or more after stabilization). In addition, the agreement calls for us to repurchase these interests in the event of a sale of One Vanderbilt or a transactional change of control of the Company. We also have the right to

repurchase these interests on the seven-year anniversary of the stabilization of the project or upon the occurrence of certain separation events prior to the stabilization of the project relating to each of Messrs. Holliday's and Mathias's continued service with us. The price paid upon monetization of the interests will equal the liquidation value of the interests at the time, with the value of One Vanderbilt being based on its sale price, if applicable, or fair market value as determined by an independent third party appraiser.

Insurance

We maintain "all-risk" property and rental value coverage (including coverage regarding the perils of flood, earthquake and terrorism, excluding nuclear, biological, chemical, and radiological terrorism ("NBCR")), within three property insurance programs and liability insurance. Separate property and liability coverage may be purchased on a stand-alone basis for certain assets, such as the development of One Vanderbilt. Additionally, our captive insurance company, Belmont Insurance Company, or Belmont, provides coverage for NBCR terrorist acts above a specified trigger, although if Belmont is required to pay a claim under our insurance policies, we would ultimately record the loss to the extent of Belmont's required payment. However, there is no assurance that in the future we will be able to procure coverage at a reasonable cost. Further, if we experience losses that are uninsured or that exceed policy limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. Additionally, our debt instruments contain customary covenants requiring us to maintain insurance and we could default under debt our instruments if the cost and/or availability of certain types of insurance make it impractical or impossible to comply with such covenants relating to insurance. Belmont provides coverage solely on properties owned by the Company or its affiliates.

Furthermore, with respect to certain of our properties, including properties held by joint ventures, or subject to triple net leases, insurance coverage is obtained by a third-party and we do not control the coverage. While we may have agreements with such third parties to maintain adequate coverage and we monitor these policies, such coverage ultimately may not be maintained or adequately cover our risk of loss.

Funds from Operations

FFO is a widely recognized non-GAAP measure of REIT performance. The Company computes FFO in accordance with standards established by the National Association of Real Estate Investment Trusts, or NAREIT, which may not be comparable to FFO reported by other REITs that do not compute FFO in accordance with the NAREIT definition, or that interpret the NAREIT definition differently than the Company does. The revised White Paper on FFO approved by the Board of Governors of NAREIT in April 2002, and subsequently amended, defines FFO as net income (loss) (computed in accordance with Generally Accepted Accounting Principles, or GAAP), excluding gains (or losses) from sales of properties and real estate related impairment charges, plus real estate related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures.

The Company presents FFO because it considers it an important supplemental measure of the Company's operating performance and believes that it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, particularly those that own and operate commercial office properties. The Company also uses FFO as one of several criteria to determine performance-based bonuses for members of its senior management. FFO is intended to exclude GAAP historical cost depreciation and amortization of real estate and related assets, which assumes that the value of real estate assets diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. Because FFO excludes depreciation and amortization unique to real estate, gains and losses from property dispositions, and extraordinary items, it provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, and interest costs, providing perspective not immediately apparent from net income. FFO does not represent cash generated from operating activities in accordance with GAAP and should not be considered as an alternative to net income (determined in accordance with GAAP), as an indication of the Company's financial performance or to cash flow from operating activities (determined in accordance with GAAP) as a measure of the Company's liquidity, nor is it indicative of funds available to fund the Company's cash needs, including our ability to make cash distributions.

FFO for the years ended December 31, 2017, 2016, and 2015 are as follows (in thousands):

	Year Ended December 31,		
	2017	**2016**	**2015**
Net income attributable to SL Green common stockholders	**$ 86,424**	$ 234,946	$ 269,132
Add:			
Depreciation and amortization	**403,320**	821,041	560,887
Joint venture depreciation and noncontrolling interest adjustments	**102,334**	69,853	34,226
Net (loss) income attributable to noncontrolling interests	**(11,706)**	17,780	26,408
Less:			
Gain on sale of real estate and discontinued operations	**73,241**	238,116	190,096
Equity in net gain on sale of interest in unconsolidated joint venture/real estate	**16,166**	44,009	15,844
Purchase price fair value adjustment	**—**	—	40,078
Depreciable real estate reserves	**(178,520)**	(10,387)	(19,226)
Depreciation on non-rental real estate assets	**2,191**	2,027	2,036
Funds from Operations attributable to SL Green common stockholders and noncontrolling interests	**$ 667,294**	$ 869,855	$ 661,825
Cash flows provided by operating activities	**$ 548,373**	$ 634,714	$ 526,484
Cash flows (used in) provided by investing activities	**$ (18,851)**	$ 2,122,570	$ (2,265,911)
Cash flows (used in) provided by financing activities	**$ (681,077)**	$ (2,733,240)	$ 1,713,417

Inflation

Substantially all of our office leases provide for separate real estate tax and operating expense escalations as well as operating expense recoveries based on increases in the Consumer Price Index or other measures such as porters' wage. In addition, many of the leases provide for fixed base rent increases. We believe that inflationary increases will be at least partially offset by the contractual rent increases and expense escalations described above.

Accounting Standards Updates

The Accounting Standards Updates are discussed in Note 2, "Significant Accounting Policies - Accounting Standards Updates" in the accompanying consolidated financial statements.

Forward-Looking Information

This report includes certain statements that may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and are intended to be covered by the safe harbor provisions thereof. All statements, other than statements of historical facts, included in this report that address activities, events or developments that we expect, believe or anticipate will or may occur in the future, including such matters as future capital expenditures, dividends and acquisitions (including the amount and nature thereof), development trends of the real estate industry and the New York metropolitan area markets, business strategies, expansion and growth of our operations and other similar matters, are forward-looking statements. These forward-looking statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate.

Forward-looking statements are not guarantees of future performance and actual results or developments may differ materially, and we caution you not to place undue reliance on such statements. Forward-looking statements are generally identifiable by the use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend," "project," "continue," or the negative of these words, or other similar words or terms.

Forward-looking statements contained in this report are subject to a number of risks and uncertainties that may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by forward-looking statements made by us. These risks and uncertainties include:

- the effect of general economic, business and financial conditions, and their effect on the New York City real estate market in particular;
- dependence upon certain geographic markets;
- risks of real estate acquisitions, dispositions, developments and redevelopment, including the cost of construction delays and cost overruns;

- risks relating to debt and preferred equity investments;
- availability and creditworthiness of prospective tenants and borrowers;
- bankruptcy or insolvency of a major tenant or a significant number of smaller tenants;
- adverse changes in the real estate markets, including reduced demand for office space, increasing vacancy, and increasing availability of sublease space;
- availability of capital (debt and equity);
- unanticipated increases in financing and other costs, including a rise in interest rates;
- our ability to comply with financial covenants in our debt instruments;
- our ability to maintain its status as a REIT;
- risks of investing through joint venture structures, including the fulfillment by our partners of their financial obligations;
- the threat of terrorist attacks;
- our ability to obtain adequate insurance coverage at a reasonable cost and the potential for losses in excess of our insurance coverage, including as a result of environmental contamination; and,
- legislative, regulatory and/or safety requirements adversely affecting REITs and the real estate business including costs of compliance with the Americans with Disabilities Act, the Fair Housing Act and other similar laws and regulations.

Other factors and risks to our business, many of which are beyond our control, are described in other sections of this report and in our other filings with the SEC. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of future events, new information or otherwise.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Market Rate Risk" for additional information regarding our exposure to interest rate fluctuations.

The table below presents the principal cash flows based upon maturity dates of our debt obligations and debt and preferred equity investments and the weighted-average interest rates by expected maturity dates, including as-of-right extension options, as of December 31, 2017 (in thousands):

	Long-Term Debt				Debt and Preferred Equity Investments [1]	
	Fixed Rate	Average Interest Rate	Variable Rate	Average Interest Rate	Amount	Weighted Yield
2018	$ 303,971	4.45%	$ 190,431	3.12%	$ 315,802	10.44% [2]
2019	42,289	4.42%	—	3.42%	456,524	9.29%
2020	678,018	4.11%	275,000	3.49%	156,072	9.83%
2021	11,656	3.99%	—	3.49%	532,558	8.71%
2022	1,008,003	4.00%	—	3.63%	527,204	9.24%
Thereafter	2,256,623	4.26%	1,140,000	4.14%	125,881	8.31%
Total	$ 4,300,560	4.22%	$ 1,605,431	3.42%	$ 2,114,041	9.13% [2]
Fair Value	$ 4,421,866		$ 1,612,224			

(1) Our debt and preferred equity investments had an estimated fair value ranging between $2.1 billion and $2.3 billion at December 31, 2017.
(2) Excludes loans secured by the leasehold interest in 2 Herald Square which were in maturity default at the time of acquisition in April and May 2017. The loans were put on non-accrual in August 2017 when one of the investors in the borrower did not repay the loan notwithstanding the approval to do so rendered by a court in a litigation separate from the foreclosure. No impairment was recorded as the Company believes that the fair value of the property exceeds the carrying amount of the loans. The loans had an outstanding balance including accrued interest of $259.3 million at the time that they were put on non accrual status.

The table below presents the principal cash flows based upon maturity dates of our share of our joint venture debt obligations and the weighted-average interest rates by expected maturity dates as of December 31, 2017 (in thousands):

	Long Term Debt			
	Fixed Rate	Average Interest Rate	Variable Rate	Average Interest Rate
2018	$ 12,491	4.04%	$ 187,759	3.74%
2019	108,642	4.04%	609,040	4.21%
2020	13,584	4.04%	460,225	4.63%
2021	14,150	4.04%	435,590	4.93%
2022	223,299	3.99%	31	5.00%
Thereafter	2,009,097	3.88%	110,384	4.63%
Total	$ 2,381,263	4.03%	$ 1,803,029	4.25%
Fair Value	$ 2,344,362		$ 1,827,427	

The table below lists our consolidated derivative instruments, which are hedging variable rate debt, and their related fair values as of December 31, 2017 (in thousands):

	Asset Hedged	Benchmark Rate	Notional Value	Strike Rate	Effective Date	Expiration Date	Fair Value
Interest Rate Swap	Credit Facility	LIBOR	$ 200,000	1.131%	July 2016	July 2023	$ 10,747
Interest Rate Swap	Credit Facility	LIBOR	100,000	1.161%	July 2016	July 2023	5,217
Interest Rate Swap	Mortgage	LIBOR	21,394	12.000%	January 2017	January 2019	167
Interest Rate Cap	Mortgage	LIBOR	137,500	4.000%	September 2017	September 2019	2
Interest Rate Swap	Credit Facility	LIBOR	100,000	1.928%	December 2017	November 2020	288
Interest Rate Swap	Credit Facility	LIBOR	100,000	1.934%	December 2017	November 2020	271
Total Consolidated Hedges							$ 16,692

In addition to these derivative instruments, some of our joint venture loan agreements require the joint venture to purchase interest rate caps on its debt. All such interest rate caps represented in aggregate an asset of $0.1 million at December 31, 2017. We also swapped certain floating rate debt at some of our joint ventures. These swaps represented in aggregate an asset of $8.8 million at December 31, 2017.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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FINANCIAL STATEMENTS OF SL GREEN REALTY CORP.

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All other schedules are omitted because they are not required or the required information is shown in the financial statements or notes thereto.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of SL Green Realty Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of SL Green Realty Corp. (the Company) as of December 31, 2017 and 2016, the related consolidated statements of operations, comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2017, and the related notes and financial statement schedules listed in the Index at Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 23, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company‘s auditor since 1997.

New York, New York

February 23, 2018

SL Green Realty Corp.
Consolidated Balance Sheets
(in thousands, except per share data)

	December 31, 2017	December 31, 2016
Assets		
Commercial real estate properties, at cost:		
Land and land interests	$ 2,357,051	$ 3,309,710
Building and improvements	6,351,012	7,948,852
Building leasehold and improvements	1,450,614	1,437,325
Properties under capital lease	47,445	47,445
	10,206,122	12,743,332
Less: accumulated depreciation	(2,300,116)	(2,264,694)
	7,906,006	10,478,638
Assets held for sale	338,354	—
Cash and cash equivalents	127,888	279,443
Restricted cash	122,138	90,524
Investments in marketable securities	28,579	85,110
Tenant and other receivables, net of allowance of $18,637 and $16,592 in 2017 and 2016, respectively	57,644	53,772
Related party receivables	23,039	15,856
Deferred rents receivable, net of allowance of $17,207 and $25,203 in 2017 and 2016, respectively	365,337	442,179
Debt and preferred equity investments, net of discounts and deferred origination fees of $25,507 and $16,705 in 2017 and 2016, respectively	2,114,041	1,640,412
Investments in unconsolidated joint ventures	2,362,989	1,890,186
Deferred costs, net	226,201	267,600
Other assets	310,688	614,067
Total assets [1]	$ 13,982,904	$ 15,857,787
Liabilities		
Mortgages and other loans payable, net	$ 2,837,282	$ 4,073,830
Revolving credit facility, net	30,336	—
Unsecured term loans, net	1,491,575	1,179,521
Unsecured notes, net	1,395,939	1,128,315
Accrued interest payable	38,142	36,052
Other liabilities	188,005	206,238
Accounts payable and accrued expenses	137,142	190,583
Deferred revenue	208,119	217,955
Capital lease obligations	42,843	42,132
Deferred land leases payable	3,239	2,583
Dividend and distributions payable	85,138	87,271
Security deposits	67,927	66,504
Liabilities related to assets held for sale	4,074	—
Junior subordinated deferrable interest debentures held by trusts that issued trust preferred securities	100,000	100,000
Total liabilities [1]	6,629,761	7,330,984
Commitments and contingencies	—	—
Noncontrolling interests in Operating Partnership	461,954	473,882
Preferred units	301,735	302,010

SL Green Realty Corp.
Consolidated Balance Sheets
(in thousands, except per share data)

	December 31, 2017	December 31, 2016
Equity		
SL Green stockholders' equity:		
Series I Preferred Stock, $0.01 par value, $25.00 liquidation preference, 9,200 issued and outstanding at both December 31, 2017 and 2016	**221,932**	221,932
Common stock, $0.01 par value, 160,000 shares authorized and 93,858 and 101,617 issued and outstanding at December 31, 2017 and 2016, respectively (including 1,055 and 1,055 shares held in treasury at December 31, 2017 and 2016, respectively)	**939**	1,017
Additional paid-in-capital	**4,968,338**	5,624,545
Treasury stock at cost	**(124,049)**	(124,049)
Accumulated other comprehensive income	**18,604**	22,137
Retained earnings	**1,139,329**	1,578,893
Total SL Green stockholders' equity	**6,225,093**	7,324,475
Noncontrolling interests in other partnerships	**364,361**	426,436
Total equity	**6,589,454**	7,750,911
Total liabilities and equity	**$ 13,982,904**	$ 15,857,787

[1] The Company's consolidated balance sheets include assets and liabilities of consolidated variable interest entities ("VIEs"). See Note 2. The consolidated balance sheets include the following amounts related to our consolidated VIEs, excluding the Operating Partnership: $398.0 million and $412.3 million of land, $1.4 billion and $1.5 billion of building and improvements, $2.0 million and $2.0 million of building and leasehold improvements, $47.4 million and $47.4 million of properties under capital lease, $330.9 million and $327.2 million of accumulated depreciation, $221.0 million and $226.8 million of other assets included in other line items, $628.9 million and $621.8 million of real estate debt, net, $2.5 million and $2.2 million of accrued interest payable, $42.8 million and $42.1 million of capital lease obligations, and $56.8 million and $72.2 million of other liabilities included in other line items as of December 31, 2017 and December 31, 2016, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

SL Green Realty Corp.
Consolidated Statements of Operations
(in thousands, except per share data)

	Year Ended December 31,		
	2017	**2016**	**2015**
Revenues			
Rental revenue, net	**$ 1,100,993**	$ 1,323,767	$ 1,245,981
Escalation and reimbursement	**172,939**	196,858	178,512
Investment income	**193,871**	213,008	181,128
Other income	**43,670**	130,348	57,208
Total revenues	**1,511,473**	1,863,981	1,662,829
Expenses			
Operating expenses, including $21,400 in 2017, $21,890 in 2016, $20,071 in 2015 of related party expenses	**293,364**	312,859	301,624
Real estate taxes	**244,323**	248,388	232,702
Ground rent	**33,231**	33,261	32,834
Interest expense, net of interest income	**257,045**	321,199	323,870
Amortization of deferred financing costs	**16,498**	24,564	27,348
Depreciation and amortization	**403,320**	821,041	560,887
Transaction related costs	**(1,834)**	7,528	11,430
Marketing, general and administrative	**100,498**	99,759	94,873
Total expenses	**1,346,445**	1,868,599	1,585,568
Income (loss) from continuing operations before equity in net income from unconsolidated joint ventures, equity in net gain on sale of interest in unconsolidated joint venture/real estate, purchase price fair value adjustment, gain on sale of real estate, depreciable real estate reserves, gain (loss) on sale of marketable securities and loss on early extinguishment of debt	**165,028**	(4,618)	77,261
Equity in net income from unconsolidated joint ventures	**21,892**	11,874	13,028
Equity in net gain on sale of interest in unconsolidated joint venture/real estate	**16,166**	44,009	15,844
Purchase price fair value adjustment	**—**	—	40,078
Gain on sale of real estate, net	**73,241**	238,116	175,974
Depreciable real estate reserves	**(178,520)**	(10,387)	(19,226)
Gain (loss) on sale of investment in marketable securities	**3,262**	(83)	—
Loss on early extinguishment of debt	**—**	—	(49)
Income from continuing operations	**101,069**	278,911	302,910
Net income from discontinued operations	**—**	—	427
Gain on sale of discontinued operations	**—**	—	14,122
Net income	**101,069**	278,911	317,459
Net (income) loss attributable to noncontrolling interests:			
Noncontrolling interests in the Operating Partnership	**(3,995)**	(10,136)	(10,565)
Noncontrolling interests in other partnerships	**15,701**	(7,644)	(15,843)
Preferred units distributions	**(11,401)**	(11,235)	(6,967)
Net income attributable to SL Green	**101,374**	249,896	284,084
Preferred stock redemption costs	—	—	—
Perpetual preferred stock dividends	**(14,950)**	(14,950)	(14,952)
Net income attributable to SL Green common stockholders	**$ 86,424**	$ 234,946	$ 269,132

SL Green Realty Corp.
Consolidated Statements of Operations
(in thousands, except per share data)

	Year Ended December 31,		
	2017	**2016**	**2015**
Amounts attributable to SL Green common stockholders:			
Income (loss) from continuing operations before purchase price fair value adjustment, gains on sale and discontinued operations	**$ 171,600**	$ (25,552)	$ 50,502
Purchase price fair value adjustment	**—**	—	38,563
Equity in net gain on sale of interest in unconsolidated joint venture/real estate	**15,452**	42,189	15,245
Net income from discontinued operations	**—**	—	411
Gain on sale of discontinued operations	**—**	—	13,588
Gain on sale of real estate, net	**70,005**	228,266	169,322
Depreciable real estate reserves	**(170,633)**	(9,957)	(18,499)
Net income attributable to SL Green common stockholders	**$ 86,424**	$ 234,946	$ 269,132
Basic earnings per share:			
Income (loss) from continuing operations before purchase price fair value adjustment, gains on sale and discontinued operations	**$ 1.74**	$ (0.26)	$ 0.51
Purchase price fair value adjustment	**—**	—	0.39
Equity in net gain on sale of interest in unconsolidated joint venture/real estate	**0.16**	0.42	0.15
Net income from discontinued operations	**—**	—	—
Gain on sale of discontinued operations	**—**	—	0.14
Gain on sale of real estate, net	**0.71**	2.29	1.71
Depreciable real estate reserves	**(1.73)**	(0.10)	(0.19)
Net income attributable to SL Green common stockholders	**$ 0.88**	$ 2.35	$ 2.71
Diluted earnings per share:			
Income (loss) from continuing operations before purchase price fair value adjustment, gains on sale and discontinued operations	**$ 1.74**	$ (0.25)	$ 0.51
Purchase price fair value adjustment	**—**	—	0.39
Equity in net gain on sale of interest in unconsolidated joint venture/real estate	**0.16**	0.42	0.15
Net income from discontinued operations	**—**	—	—
Gain on sale of discontinued operations	**—**	—	0.14
Gain on sale of real estate, net	**0.71**	2.27	1.70
Depreciable real estate reserves	**(1.74)**	(0.10)	(0.19)
Net income attributable to SL Green common stockholders	**$ 0.87**	$ 2.34	$ 2.70
Basic weighted average common shares outstanding	**98,571**	100,185	99,345
Diluted weighted average common shares and common share equivalents outstanding	**103,403**	104,881	103,734

The accompanying notes are an integral part of these consolidated financial statements.

SL Green Realty Corp.
Consolidated Statements of Comprehensive Income
(in thousands)

	Year Ended December 31,		
	2017	**2016**	**2015**
Net income	**$ 101,069**	$ 278,911	$ 317,459
Other comprehensive income:			
Change in net unrealized gain (loss) on derivative instruments, including SL Green's share of joint venture net unrealized gain (loss) on derivative instruments	**1,040**	28,508	(1,229)
Change in unrealized gain on marketable securities	**(4,667)**	3,677	(607)
Other comprehensive (loss) income	**(3,627)**	32,185	(1,836)
Comprehensive income	**97,442**	311,096	315,623
Net loss (income) attributable to noncontrolling interests and preferred units distributions	**305**	(29,015)	(33,375)
Other comprehensive income (loss) attributable to noncontrolling interests	**94**	(1,299)	67
Comprehensive income attributable to SL Green	**$ 97,841**	$ 280,782	$ 282,315

The accompanying notes are an integral part of these consolidated financial statements.

SL Green Realty Corp.
Consolidated Statement of Equity
(in thousands, except per share data)

	SL Green Realty Corp. Stockholders								
		Common Stock							
	Series I Preferred Stock	Shares	Par Value	Additional Paid-In-Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Noncontrolling Interests	Total
Balance at December 31, 2014	$ 221,932	97,325	$ 974	$ 5,113,759	$ —	$ (6,980)	$ 1,607,689	$ 521,842	$ 7,459,216
Net income							284,084	15,843	299,927
Acquisition of subsidiary interest from noncontrolling interest				(9,566)				(11,084)	(20,650)
Other comprehensive loss						(1,769)			(1,769)
Preferred dividends							(14,952)		(14,952)
DRSPP proceeds		776	8	99,547					99,555
Conversion of units of the Operating Partnership to common stock		483	5	55,692					55,697
Reallocation of noncontrolling interest in the Operating Partnership							20,915		20,915
Reallocation of capital account relating to sale								(10,143)	(10,143)
Deferred compensation plan and stock award, net		168	2	243			(3,227)		(2,982)
Amortization of deferred compensation plan				26,721					26,721
Issuance of common stock		1,007	10	136,979	(10,000)				126,989
Proceeds from stock options exercised		217	2	16,360					16,362
Contributions to consolidated joint venture interests								35,178	35,178
Cash distributions to noncontrolling interests								(119,784)	(119,784)
Cash distributions declared ($2.52 per common share, none of which represented a return of capital for federal income tax purposes)							(250,963)		(250,963)
Balance at December 31, 2015	221,932	99,976	1,001	5,439,735	(10,000)	(8,749)	1,643,546	431,852	7,719,317
Net income							249,896	7,644	257,540
Other comprehensive income						30,886			30,886
Preferred dividends							(14,950)		(14,950)
DRSPP proceeds		2		277					277
Conversion of units of the Operating Partnership to common stock		295	3	31,803					31,806
Reallocation of noncontrolling interest in the Operating Partnership							(4,222)		(4,222)
Deferred compensation plan and stock award, net		96	1	(1,989)					(1,988)
Amortization of deferred compensation plan				25,890					25,890
Issuance of common stock			10	113,999	(114,049)				(40)
Proceeds from stock options exercised		193	2	14,830					14,832
Contributions to consolidated joint venture interests								2,359	2,359
Cash distributions to noncontrolling interests								(15,419)	(15,419)
Cash distributions declared ($2.94 per common share, none of which represented a return of capital for federal income tax purposes)							(295,377)		(295,377)
Balance at December 31, 2016	221,932	100,562	1,017	5,624,545	$ (124,049)	$ 22,137	1,578,893	426,436	7,750,911

SL Green Realty Corp.
Consolidated Statement of Equity
(in thousands, except per share data)

	SL Green Realty Corp. Stockholders								
		Common Stock							
	Series I Preferred Stock	Shares	Par Value	Additional Paid-In-Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Noncontrolling Interests	Total
Net income (loss)							101,374	(15,701)	85,673
Other comprehensive loss						(3,533)			(3,533)
Preferred dividends							(14,950)		(14,950)
DRSPP proceeds		2		223					223
Conversion of units of the Operating Partnership to common stock		202	2	21,572					21,574
Reallocation of noncontrolling interest in the Operating Partnership							5,712		5,712
Equity component of repurchased exchangeable senior notes				(109,776)					(109,776)
Deferred compensation plan and stock award, net		87	1	(2,375)					(2,374)
Amortization of deferred compensation plan				32,161					32,161
Repurchases of common stock		(8,342)	(83)	(621,324)			(226,641)		(848,048)
Proceeds from stock options exercised		292	2	23,312					23,314
Contributions to consolidated joint venture interests								36,275	36,275
Deconsolidation of partially owned entity								(30,203)	(30,203)
Cash distributions to noncontrolling interests								(52,446)	(52,446)
Cash distributions declared ($3.1375 per common share, none of which represented a return of capital for federal income tax purposes)							(305,059)		(305,059)
Balance at December 31, 2017	$ 221,932	92,803	$ 939	$ 4,968,338	$ (124,049)	$ 18,604	$ 1,139,329	$ 364,361	$ 6,589,454

The accompanying notes are an integral part of these consolidated financial statements.

SL Green Realty Corp.
Consolidated Statements of Cash Flows
(in thousands, except per share data)

	Year Ended December 31,		
	2017	**2016**	**2015**
Operating Activities			
Net income	**$ 101,069**	$ 278,911	$ 317,459
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	**419,818**	845,605	588,238
Equity in net income from unconsolidated joint ventures	**(21,892)**	(11,874)	(13,028)
Distributions of cumulative earnings from unconsolidated joint ventures	**20,309**	24,337	40,759
Equity in net gain on sale of interest in unconsolidated joint venture interest/real estate	**(16,166)**	(44,009)	(15,844)
Purchase price fair value adjustment	**—**	—	(40,078)
Depreciable real estate reserves	**178,520**	10,387	19,226
Gain on sale of real estate, net	**(73,241)**	(238,116)	(175,974)
Gain on sale of discontinued operations	**—**	—	(14,122)
(Gain) loss on sale of investments in marketable securities	**(3,262)**	83	—
Loss on early extinguishment of debt	**—**	—	49
Deferred rents receivable	**(38,009)**	26,716	(136,924)
Other non-cash adjustments [(1)]	**17,196**	(150,913)	(20,671)
Changes in operating assets and liabilities:			
Restricted cash—operations	**7,147**	(10,811)	11,289
Tenant and other receivables	**(5,717)**	4,780	(6,405)
Related party receivables	**(7,209)**	(5,183)	1,278
Deferred lease costs	**(41,939)**	(70,707)	(61,005)
Other assets	**(23,068)**	9,899	18,501
Accounts payable, accrued expenses and other liabilities and security deposits	**(11,790)**	(35,628)	8,634
Deferred revenue and land leases payable	**46,607**	1,237	5,102
Net cash provided by operating activities	**548,373**	634,714	526,484
Investing Activities			
Acquisitions of real estate property	**(13,680)**	(37,760)	(2,653,311)
Additions to land, buildings and improvements	**(335,253)**	(411,950)	(406,442)
Escrowed cash—capital improvements/acquisition deposits/deferred purchase price	**(3,499)**	92,374	(101,000)
Investments in unconsolidated joint ventures	**(389,249)**	(84,456)	(161,712)
Distributions in excess of cumulative earnings from unconsolidated joint ventures	**319,745**	196,211	98,639
Proceeds from disposition of real estate/joint venture interest	**639,682**	2,469,719	1,216,785
Proceeds from sale of marketable securities	**55,129**	6,965	1,426
Purchases of marketable securities	**—**	(43,341)	(7,769)
Other investments	**25,330**	7,704	(15,806)
Origination of debt and preferred equity investments	**(1,129,970)**	(977,413)	(756,939)
Repayments or redemption of debt and preferred equity investments	**812,914**	904,517	520,218
Net cash (used in) provided by investing activities	**(18,851)**	2,122,570	(2,265,911)

SL Green Realty Corp.
Consolidated Statements of Cash Flows
(in thousands, except per share data)

	Year Ended December 31,		
	2017	**2016**	**2015**
Financing Activities			
Proceeds from mortgages and other loans payable	**$ 870,459**	$ 408,293	$ 1,849,293
Repayments of mortgages and other loans payable	**(902,460)**	(1,822,303)	(781,236)
Proceeds from revolving credit facility, term loans and senior unsecured notes	**2,784,599**	1,325,300	2,515,000
Repayments of revolving credit facility, term loans and senior unsecured notes	**(2,276,782)**	(2,334,604)	(1,706,007)
Payment of debt extinguishment costs	**—**	—	—
Proceeds from stock options exercised and DRSPP issuance	**23,537**	15,109	115,917
Proceeds from sale of common stock	**—**	—	124,761
Repurchase of common stock	**(806,302)**	—	—
Redemption of preferred stock	**(275)**	(3,299)	(200)
Distributions to noncontrolling interests in other partnerships	**(52,446)**	(15,419)	(119,784)
Contributions from noncontrolling interests in other partnerships	**36,275**	2,359	12,674
Distributions to noncontrolling interests in the Operating Partnership	**(14,266)**	(12,671)	(9,710)
Dividends paid on common and preferred stock	**(333,543)**	(314,079)	(257,378)
Other obligations related to mortgage loan participations	**17,227**	59,150	25,000
Deferred loan costs and capitalized lease obligation	**(27,100)**	(41,076)	$ (54,913)
Net cash (used in) provided by financing activities	**(681,077)**	(2,733,240)	1,713,417
Net (decrease) increase in cash and cash equivalents	**(151,555)**	24,044	(26,010)
Cash and cash equivalents at beginning of year	**279,443**	255,399	281,409
Cash and cash equivalents at end of period	**$ 127,888**	$ 279,443	$ 255,399

[(1)] Included in Other non-cash adjustments is $172.4 million for the year ended December 31, 2016 for the amortization of the below-market lease at 388-390 Greenwich Street as a result of the tenant exercising their option to purchase the property and entering into an agreement to accelerate the sale.

Supplemental cash flow disclosures:			
Interest paid	**$ 273,819**	$ 344,295	$ 345,110
Income taxes paid	**$ 2,448**	$ 2,009	$ 3,882

Supplemental Disclosure of Non-Cash Investing and Financing Activities:			
Issuance of units in the operating partnership	**25,723**	78,495	30,506
Redemption of units in the operating partnership	**21,574**	31,806	55,697
Derivative instruments at fair value	**4,397**	31,826	1,816
Exchange of debt investment for equity in joint venture	**—**	68,581	10,151
Acquisition of subsidiary interest from noncontrolling interest	**—**	—	20,630
Issuance of common stock relating to the real estate acquisition	**—**	—	2,228
Issuance of preferred units relating to the real estate acquisition	**—**	22,793	211,601
Tenant improvements and capital expenditures payable	**6,667**	15,972	7,755
Fair value adjustment to noncontrolling interest in operating partnership	**5,712**	4,222	20,915
Assumption of mortgage loan	**—**	—	112,795
Capital lease assets	**—**	—	20,000
Reclassification of development costs from other assets to real estate	**—**	—	47,519
Deconsolidation of a subsidiary [(1)]	**695,204**	1,226,425	27,435
Transfer of assets to assets held for sale	**611,809**	2,048,376	34,981
Transfer of liabilities related to assets held for sale	**5,364**	1,677,528	29,000
Consolidation of real estate investment	**—**	—	158,566
Removal of fully depreciated commercial real estate properties	**15,488**	31,474	241,910
Issuance of SLG's common stock to a consolidated joint venture	**—**	114,049	10,000

SL Green Realty Corp.
Consolidated Statements of Cash Flows
(in thousands, except per share data)

	Year Ended December 31,		
	2017	**2016**	**2015**
Contribution to consolidated joint venture by noncontrolling interest	**—**	—	22,504
Share repurchase payable	**41,746**	—	—

(1) $366.6 million of the 2017 amount relates to 1515 Broadway. In November 2017, the Company sold a 30.13% interest in 1515 Broadway to affiliates of Allianz Real Estate. The sale did not meet the criteria for sale accounting and as a result the property was accounted for under the profit sharing method. The Company achieved sale accounting upon adoption of ASC 610-20 in January 2018 and closed on the sale of an additional 12.87% interest in the property to Allianz in February 2018. See Note 6, "Investments in Unconsolidated Joint Ventures.".

In December 2017, 2016 and 2015, the Company declared quarterly distributions per share of $0.8125, $0.775 and $0.72, respectively. These distributions were paid in January 2018, 2017 and 2016, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

Report of Independent Registered Public Accounting Firm

To the Partners of SL Green Operating Partnership, L.P.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of SL Green Operating Partnership, L.P. (the Operating Partnership) as of December 31, 2017 and 2016, the related consolidated statements of operations, comprehensive income, capital and cash flows for each of the three years in the period ended December 31, 2017, and the related notes and financial statement schedules listed in the Index at Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Operating Partnership at December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States)(PCAOB), the Operating Partnership's internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 23, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Operating Partnership's management. Our responsibility is to express an opinion on the Operating Partnership's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Operating Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Operating Partnership's auditor since 2010.

New York, New York

February 23, 2018

SL Green Operating Partnership, L.P.
Consolidated Balance Sheets
(in thousands, except per unit data)

	December 31, 2017	December 31, 2016
Assets		
Commercial real estate properties, at cost:		
Land and land interests	$ 2,357,051	$ 3,309,710
Building and improvements	6,351,012	7,948,852
Building leasehold and improvements	1,450,614	1,437,325
Property under capital lease	47,445	47,445
	10,206,122	12,743,332
Less: accumulated depreciation	(2,300,116)	(2,264,694)
	7,906,006	10,478,638
Assets held for sale	338,354	—
Cash and cash equivalents	127,888	279,443
Restricted cash	122,138	90,524
Investments in marketable securities	28,579	85,110
Tenant and other receivables, net of allowance of $18,637 and $16,592 in 2017 and 2016, respectively	57,644	53,772
Related party receivables	23,039	15,856
Deferred rents receivable, net of allowance of $17,207 and $25,203 in 2017 and 2016, respectively	365,337	442,179
Debt and preferred equity investments, net of discounts and deferred origination fees of $25,507 and $16,705 in 2017 and 2016, respectively	2,114,041	1,640,412
Investments in unconsolidated joint ventures	2,362,989	1,890,186
Deferred costs, net	226,201	267,600
Other assets	310,688	614,067
Total assets [(1)]	$ 13,982,904	$ 15,857,787
Liabilities		
Mortgages and other loans payable, net	$ 2,837,282	$ 4,073,830
Revolving credit facility, net	30,336	—
Unsecured term loans, net	1,491,575	1,179,521
Unsecured notes, net	1,395,939	1,128,315
Accrued interest payable	38,142	36,052
Other liabilities	188,005	206,238
Accounts payable and accrued expenses	137,142	190,583
Deferred revenue	208,119	217,955
Capital lease obligations	42,843	42,132
Deferred land leases payable	3,239	2,583
Dividend and distributions payable	85,138	87,271
Security deposits	67,927	66,504
Liabilities related to assets held for sale	4,074	—
Junior subordinated deferrable interest debentures held by trusts that issued trust preferred securities	100,000	100,000
Total liabilities [(1)]	6,629,761	7,330,984
Commitments and contingencies	—	—
Limited partner interests in SLGOP (4,453 and 4,364 limited partner common units outstanding at December 31, 2017 and 2016, respectively)	461,954	473,882
Preferred units	301,735	302,010

SL Green Operating Partnership, L.P.
Consolidated Balance Sheets
(in thousands, except per unit data)

	December 31, 2017	December 31, 2016
Capital		
SLGOP partners' capital:		
Series I Preferred Units, $25.00 liquidation preference, 9,200 issued and outstanding at both December 31, 2017 and 2016	**221,932**	221,932
SL Green partners' capital (973 and 1,049 general partner common units, and 91,831 and 99,513 limited partner common units outstanding at December 31, 2017 and 2016, respectively)	**5,984,557**	7,080,406
Accumulated other comprehensive income	**18,604**	22,137
Total SLGOP partners' capital	**6,225,093**	7,324,475
Noncontrolling interests in other partnerships	**364,361**	426,436
Total capital	**6,589,454**	7,750,911
Total liabilities and capital	**$ 13,982,904**	$ 15,857,787

(1) The Operating Partnership's consolidated balance sheets include assets and liabilities of consolidated variable interest entities ("VIEs"). See Note 2. The consolidated balance sheets include the following amounts related to our consolidated VIEs: $398.0 million and $412.3 million of land, $1.4 billion and $1.5 billion of building and improvements, $2.0 million and $2.0 million of building and leasehold improvements, $47.4 million and $47.4 million of properties under capital lease, $330.9 million and $327.2 million of accumulated depreciation, $221.0 million and $226.8 million of other assets included in other line items, $628.9 million and $621.8 million of real estate debt, net, $2.5 million and $2.2 million of accrued interest payable, $42.8 million and $42.1 million of capital lease obligations, and $56.8 million and $72.2 million of other liabilities included in other line items as of December 31, 2017 and December 31, 2016, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

SL Green Operating Partnership, L.P.
Consolidated Statements of Operations
(in thousands, except per unit data)

	Year Ended December 31,		
	2017	**2016**	**2015**
Revenues			
Rental revenue, net	**$ 1,100,993**	$ 1,323,767	$ 1,245,981
Escalation and reimbursement	**172,939**	196,858	178,512
Investment income	**193,871**	213,008	181,128
Other income	**43,670**	130,348	57,208
Total revenues	**1,511,473**	**1,863,981**	**1,662,829**
Expenses			
Operating expenses, including $21,400 in 2017, $21,890 in 2016, $20,071 in 2015 of related party expenses	**293,364**	312,859	301,624
Real estate taxes	**244,323**	248,388	232,702
Ground rent	**33,231**	33,261	32,834
Interest expense, net of interest income	**257,045**	321,199	323,870
Amortization of deferred financing costs	**16,498**	24,564	27,348
Depreciation and amortization	**403,320**	821,041	560,887
Transaction related costs	**(1,834)**	7,528	11,430
Marketing, general and administrative	**100,498**	99,759	94,873
Total expenses	**1,346,445**	1,868,599	1,585,568
Income (loss) from continuing operations before equity in net income from unconsolidated joint ventures, equity in net gain on sale of interest in unconsolidated joint venture/real estate, purchase price fair value adjustment, gain on sale of real estate, depreciable real estate reserves, gain (loss) on sale of marketable securities and loss on early extinguishment of debt	**165,028**	(4,618)	77,261
Equity in net income from unconsolidated joint ventures	**21,892**	11,874	13,028
Equity in net gain on sale of interest in unconsolidated joint venture/real estate	**16,166**	44,009	15,844
Purchase price fair value adjustment	**—**	—	40,078
Gain on sale of real estate, net	**73,241**	238,116	175,974
Depreciable real estate reserves	**(178,520)**	(10,387)	(19,226)
Gain (loss) on sale of investment in marketable securities	**3,262**	(83)	—
Loss on early extinguishment of debt	**—**	—	(49)
Income from continuing operations	**101,069**	278,911	302,910
Net income from discontinued operations	**—**	—	427
Gain on sale of discontinued operations	**—**	—	14,122
Net income	**101,069**	278,911	317,459
Net (income) loss attributable to noncontrolling interests in other partnerships	**15,701**	(7,644)	(15,843)
Preferred unit distributions	**(11,401)**	(11,235)	(6,967)
Net income attributable to SLGOP	**105,369**	260,032	294,649
Preferred stock redemption costs	**—**	—	—
Perpetual preferred stock dividends	**(14,950)**	(14,950)	(14,952)
Net income attributable to SLGOP common unitholders	**$ 90,419**	$ 245,082	$ 279,697

SL Green Operating Partnership, L.P.
Consolidated Statements of Operations
(in thousands, except per unit data)

	Year Ended December 31,		
	2017	**2016**	**2015**
Amounts attributable to SLGOP common unitholders:			
Income (loss) from continuing operations before purchase price fair value adjustment, gains on sale and discontinued operations	**$ 179,532**	$ (26,656)	$ 52,478
Purchase price fair value adjustment	**—**	—	40,078
Equity in net gain on sale of interest in unconsolidated joint venture/real estate	**16,166**	44,009	15,844
Net income from discontinued operations	**—**	—	427
Gain on sale of discontinued operations	**—**	—	14,122
Gain on sale of real estate, net	**73,241**	238,116	175,974
Depreciable real estate reserves	**(178,520)**	(10,387)	(19,226)
Net income attributable to SLGOP common unitholders	**$ 90,419**	$ 245,082	$ 279,697
Basic earnings per unit:			
Income (loss) from continuing operations before gains on sale and discontinued operations	**$ 1.74**	$ (0.26)	$ 0.51
Purchase price fair value adjustment	**—**	—	0.39
Equity in net gain on sale of interest in unconsolidated joint venture/real estate	**0.16**	0.42	0.15
Net income from discontinued operations	**—**	—	—
Gain on sale of discontinued operations	**—**	—	0.14
Gain on sale of real estate, net	**0.71**	2.29	1.71
Depreciable real estate reserves	**(1.73)**	(0.10)	(0.19)
Net income attributable to SLGOP common unitholders	**$ 0.88**	$ 2.35	$ 2.71
Diluted earnings per unit:			
Income (loss) from continuing operations before gains on sale and discontinued operations	**$ 1.74**	$ (0.25)	$ 0.51
Purchase price fair value adjustment	**—**	—	0.39
Equity in net gain on sale of interest in unconsolidated joint venture/real estate	**0.16**	0.42	0.15
Net income from discontinued operations	**—**	—	—
Gain on sale of discontinued operations	**—**	—	0.14
Gain on sale of real estate, net	**0.71**	2.27	1.70
Depreciable real estate reserves	**(1.74)**	(0.10)	(0.19)
Net income attributable to SLGOP common unitholders	**$ 0.87**	$ 2.34	$ 2.70
Basic weighted average common units outstanding	**103,127**	104,508	103,244
Diluted weighted average common units and common unit equivalents outstanding	**103,403**	104,881	103,734

The accompanying notes are an integral part of these consolidated financial statements.

SL Green Operating Partnership, L.P.
Consolidated Statements of Comprehensive Income
(in thousands)

	Year Ended December 31,		
	2017	**2016**	**2015**
Net income	**$ 101,069**	$ 278,911	$ 317,459
Other comprehensive income:			
Change in net unrealized gain (loss) on derivative instruments, including SLGOP's share of joint venture net unrealized gain (loss) on derivative instruments	**1,040**	28,508	(1,229)
Change in unrealized gain on marketable securities	**(4,667)**	3,677	(607)
Other comprehensive (loss) income	**(3,627)**	32,185	(1,836)
Comprehensive income	**97,442**	311,096	315,623
Net loss (income) attributable to noncontrolling interests	**15,701**	(7,644)	(15,843)
Other comprehensive income (loss) attributable noncontrolling interests	**94**	(1,299)	67
Comprehensive income attributable to SLGOP	**$ 113,237**	$ 302,153	$ 299,847

The accompanying notes are an integral part of these consolidated financial statements.

SL Green Operating Partnership, L.P.
Consolidated Statement of Capital
(in thousands, except per unit data)

	SL Green Operating Partnership Unitholders					
		Partners' Interest				
	Series I Preferred Units	Common Units	Common Unitholders	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interests	Total
Balance at December 31, 2014	$ 221,932	97,325	$ 6,722,422	$ (6,980)	$ 521,842	$ 7,459,216
Net income			284,084		15,843	299,927
Acquisition of subsidiary interest from noncontrolling interest			(9,566)		(11,084)	(20,650)
Other comprehensive (loss)				(1,769)		(1,769)
Preferred distributions			(14,952)			(14,952)
Conversion of common units		483	55,697			55,697
DRSPP proceeds		776	99,555			99,555
Reallocation of capital account relating to sale					(10,143)	(10,143)
Reallocation of noncontrolling interests in the operating partnership			20,915			20,915
Deferred compensation plan and stock award, net		168	(2,982)			(2,982)
Amortization of deferred compensation plan			26,721			26,721
Contribution to consolidated joint venture interests					35,178	35,178
Contributions - net proceeds from common stock offering		1,007	126,989			126,989
Contributions - proceeds from stock options exercised		217	16,362			16,362
Cash distributions to noncontrolling interests					(119,784)	(119,784)
Cash distributions declared ($2.52 per common unit, none of which represented a return of capital for federal income tax purposes)			(250,963)			(250,963)
Balance at December 31, 2015	221,932	99,976	7,074,282	(8,749)	431,852	7,719,317
Net income			249,896		7,644	257,540
Other comprehensive income				30,886		30,886
Preferred distributions			(14,950)			(14,950)
DRSPP proceeds		2	277			277
Conversion of common units		295	31,806			31,806
Reallocation of noncontrolling interests in the operating partnership			(4,222)			(4,222)
Deferred compensation plan and stock award, net		96	(1,988)			(1,988)
Amortization of deferred compensation plan			25,890			25,890
Issuance of stock			(40)			(40)
Contribution to consolidated joint venture interests					2,359	2,359
Contributions - proceeds from stock options exercised		193	14,832			14,832
Cash distributions to noncontrolling interests					(15,419)	(15,419)
Cash distributions declared ($2.94 per common unit, none of which represented a return of capital for federal income tax purposes)			(295,377)			(295,377)
Balance at December 31, 2016	221,932	100,562	7,080,406	22,137	426,436	7,750,911
Net income (loss)			101,374		(15,701)	85,673
Other comprehensive loss				(3,533)		(3,533)
Preferred dividends			(14,950)			(14,950)
DRSPP proceeds		2	223			223
Conversion of common units		202	21,574			21,574
Reallocation of noncontrolling interest in the Operating Partnership			5,712			5,712
Equity component of repurchased exchangeable senior notes			(109,776)			(109,776)
Deferred compensation plan and stock award, net		87	(2,374)			(2,374)
Amortization of deferred compensation plan			32,161			32,161
Repurchases of common stock		(8,342)	(848,048)			(848,048)
Proceeds from stock options exercised		292	23,314			23,314
Contributions to consolidated joint venture interests					36,275	36,275
Deconsolidation of partially owned entity					(30,203)	(30,203)
Cash distributions to noncontrolling interests					(52,446)	(52,446)
Cash distributions declared ($3.1375 per common share, none of which represented a return of capital for federal income tax purposes)			(305,059)			(305,059)
Balance at December 31, 2017	**$ 221,932**	**92,803**	**$ 5,984,557**	**$ 18,604**	**$ 364,361**	**$ 6,589,454**

SL Green Operating Partnership, L.P.
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2017	2016	2015
Operating Activities			
Net income	$ **101,069**	$ 278,911	$ 317,459
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	**419,818**	845,605	588,238
Equity in net income from unconsolidated joint ventures	**(21,892)**	(11,874)	(13,028)
Distributions of cumulative earnings from unconsolidated joint ventures	**20,309**	24,337	40,759
Equity in net gain on sale of interest in unconsolidated joint venture interest/real estate	**(16,166)**	(44,009)	(15,844)
Purchase price fair value adjustment	**—**	—	(40,078)
Depreciable real estate reserves	**178,520**	10,387	19,226
Gain on sale of real estate, net	**(73,241)**	(238,116)	(175,974)
Gain on sale of discontinued operations	**—**	—	(14,122)
(Gain) loss on sale of investments in marketable securities	**(3,262)**	83	—
Loss on early extinguishment of debt	**—**	—	49
Deferred rents receivable	**(38,009)**	26,716	(136,924)
Other non-cash adjustments [(1)]	**17,196**	(150,913)	(20,671)
Changes in operating assets and liabilities:			
Restricted cash—operations	**7,147**	(10,811)	11,289
Tenant and other receivables	**(5,717)**	4,780	(6,405)
Related party receivables	**(7,209)**	(5,183)	1,278
Deferred lease costs	**(41,939)**	(70,707)	(61,005)
Other assets	**(23,068)**	9,899	18,501
Accounts payable, accrued expenses and other liabilities and security deposits	**(11,790)**	(35,628)	8,634
Deferred revenue and land leases payable	**46,607**	1,237	5,102
Net cash provided by operating activities	**548,373**	634,714	526,484
Investing Activities			
Acquisitions of real estate property	**(13,680)**	(37,760)	(2,653,311)
Additions to land, buildings and improvements	**(335,253)**	(411,950)	(406,442)
Escrowed cash—capital improvements/acquisition deposits/deferred purchase price	**(3,499)**	92,374	(101,000)
Investments in unconsolidated joint ventures	**(389,249)**	(84,456)	(161,712)
Distributions in excess of cumulative earnings from unconsolidated joint ventures	**319,745**	196,211	98,639
Net proceeds from disposition of real estate/joint venture interest	**639,682**	2,469,719	1,216,785
Proceeds from sale of marketable securities	**55,129**	6,965	1,426
Purchases of marketable securities	**—**	(43,341)	(7,769)
Other investments	**25,330**	7,704	(15,806)
Origination of debt and preferred equity investments	**(1,129,970)**	(977,413)	(756,939)
Repayments or redemption of debt and preferred equity investments	**812,914**	904,517	520,218
Net cash (used in) provided by investing activities	**(18,851)**	2,122,570	(2,265,911)

SL Green Operating Partnership, L.P.
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2017	**2016**	**2015**
Financing Activities			
Proceeds from mortgages and other loans payable	**$ 870,459**	$ 408,293	$ 1,849,293
Repayments of mortgages and other loans payable	**(902,460)**	(1,822,303)	(781,236)
Proceeds from revolving credit facility, term loans and senior unsecured notes	**2,784,599**	1,325,300	2,515,000
Repayments of revolving credit facility, term loans and senior unsecured notes	**(2,276,782)**	(2,334,604)	(1,706,007)
Payments of debt extinguishment costs	**—**	—	—
Proceeds from stock options exercised and DRSPP issuance	**23,537**	15,109	115,917
Net proceeds from sale of common stock	**—**	—	124,761
Repurchase of common stock	**(806,302)**	—	—
Redemption of preferred units	**(275)**	(3,299)	(200)
Distributions to noncontrolling interests in other partnerships	**(52,446)**	(15,419)	(119,784)
Contributions from noncontrolling interests in other partnerships	**36,275**	2,359	12,674
Distributions paid on common and preferred units	**(347,809)**	(326,750)	(267,088)
Other obligations related to mortgage loan participations	**17,227**	59,150	25,000
Deferred loan costs and capitalized lease obligation	**(27,100)**	(41,076)	(54,913)
Net cash (used in) provided by financing activities	**(681,077)**	(2,733,240)	1,713,417
Net (decrease) increase in cash and cash equivalents	**(151,555)**	24,044	(26,010)
Cash and cash equivalents at beginning of year	**279,443**	255,399	281,409
Cash and cash equivalents at end of period	**$ 127,888**	$ 279,443	$ 255,399

[(1)] Included in Other non-cash adjustments is $172.4 million for the year ended December 31, 2016 for the amortization of the below-market lease at 388-390 Greenwich Street as a result of the tenant exercising their option to purchase the property and entering into an agreement to accelerate the sale.

Supplemental cash flow disclosures:			
Interest paid	**$ 273,819**	$ 344,295	$ 345,110
Income taxes paid	**$ 2,448**	$ 2,009	$ 3,882

Supplemental Disclosure of Non-Cash Investing and Financing Activities:			
Issuance of units in the operating partnership	**25,723**	78,495	30,506
Redemption of units in the operating partnership	**21,574**	31,806	55,697
Derivative instruments at fair value	**4,397**	31,826	1,816
Exchange of debt investment for equity in joint venture	**—**	68,581	10,151
Acquisition of subsidiary interest from noncontrolling interest	**—**	—	20,630
Issuance of common stock relating to the real estate acquisition	**—**	—	2,228
Issuance of preferred units relating to the real estate acquisition	**—**	22,793	211,601
Tenant improvements and capital expenditures payable	**6,667**	15,972	7,755
Fair value adjustment to noncontrolling interest in the operating partnership	**5,712**	4,222	20,915
Assumption of mortgage loan	**—**	—	112,795
Capital lease assets	**—**	—	20,000
Reclassification of development costs from other assets to real estate	**—**	—	47,519
Deconsolidation of a subsidiary [(1)]	**695,204**	1,226,425	27,435
Transfer of assets to assets held for sale	**611,809**	2,048,376	34,981
Transfer of liabilities related to assets held for sale	**5,364**	1,677,528	29,000
Consolidation of real estate investment	**—**	—	158,566
Removal of fully depreciated commercial real estate properties	**15,488**	31,474	241,910
Issuance of SLG's common stock to a consolidated joint venture	**—**	114,049	10,000

SL Green Operating Partnership, L.P.
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2017	**2016**	**2015**
Contribution to consolidated joint venture by noncontrolling interest	**—**	—	22,504
Share repurchase payable	**41,746**	—	—

(1) $366.6 million of the 2017 amount relates to 1515 Broadway. In November 2017, the Company sold a 30.13% interest in 1515 Broadway to affiliates of Allianz Real Estate. The sale did not meet the criteria for sale accounting and as a result the property was accounted for under the profit sharing method. The Company achieved sale accounting upon adoption of ASC 610-20 in January 2018 and closed on the sale of an additional 12.87% interest in the property to Allianz in February 2018. See Note 6, "Investments in Unconsolidated Joint Ventures.".

In December 2017, 2016 and 2015, SLGOP declared quarterly distributions per common unit of $0.8125, $0.775 and $0.72, respectively. These distributions were paid in January 2018, 2017 and 2016, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

SL Green Realty Corp. and SL Green Operating Partnership, L.P.
Notes to Consolidated Financial Statements
December 31, 2017

1. Organization and Basis of Presentation

SL Green Realty Corp., which is referred to as the Company or SL Green, a Maryland corporation, and SL Green Operating Partnership, L.P., which is referred to as SLGOP or the Operating Partnership, a Delaware limited partnership, were formed in June 1997 for the purpose of combining the commercial real estate business of S.L. Green Properties, Inc. and its affiliated partnerships and entities. The Operating Partnership received a contribution of interest in the real estate properties, as well as 95% of the economic interest in the management, leasing and construction companies which are referred to as the Service Corporation. All of the management, leasing and construction services that are provided to the properties that are wholly-owned by us and that are provided to certain joint ventures are conducted through SL Green Management LLC which is 100% owned by the Operating Partnership. The Company has qualified, and expects to qualify in the current fiscal year, as a real estate investment trust, or REIT, under the Internal Revenue Code of 1986, as amended, or the Code, and operates as a self-administered, self-managed REIT. A REIT is a legal entity that holds real estate interests and, through payments of dividends to stockholders, is permitted to minimize the payment of Federal income taxes at the corporate level. Unless the context requires otherwise, all references to "we," "our" and "us" means the Company and all entities owned or controlled by the Company, including the Operating Partnership.

Substantially all of our assets are held by, and all of our operations are conducted through, the Operating Partnership. The Company is the sole managing general partner of the Operating Partnership. As of December 31, 2017, noncontrolling investors held, in the aggregate, a 4.58% limited partnership interest in the Operating Partnership. We refer to these interests as the noncontrolling interests in the Operating Partnership. The Operating Partnership is considered a variable interest entity, or VIE, in which we are the primary beneficiary. See Note 11, "Noncontrolling Interests on the Company's Consolidated Financial Statements."

Reckson Associates Realty Corp., or Reckson, and Reckson Operating Partnership, L.P., or ROP, are wholly-owned subsidiaries of SL Green Realty Corp.

As of December 31, 2017, we owned the following interests in properties in the New York metropolitan area, primarily in midtown Manhattan. Our investments located outside of Manhattan are referred to as the Suburban properties:

		Consolidated		Unconsolidated		Total		
Location	Property Type	Number of Properties	Approximate Square Feet (unaudited)	Number of Properties	Approximate Square Feet (unaudited)	Number of Properties	Approximate Square Feet (unaudited)	Weighted Average Occupancy(1) (unaudited)
Commercial:								
Manhattan	Office	23 (2)	14,304,606	9	10,356,864	32	24,661,470	93.9%
	Retail	4 (3)	302,583	9	347,970	13	650,553	94.5%
	Development/Redevelopment	7	158,985	4	770,514	11	929,499	63.8%
	Fee Interest	1	176,530	1	—	2	176,530	100.0%
		35	14,942,704	23	11,475,348	58	26,418,052	92.9%
Suburban	Office	20 (4)	3,013,200	2	640,000	22	3,653,200	84.0%
	Retail	1	52,000	—	—	1	52,000	100.0%
	Development/Redevelopment	1	1,000	1	—	2	1,000	100.0%
		22	3,066,200	3	640,000	25	3,706,200	84.3%
Total commercial properties		57	18,008,904	26	12,115,348	83	30,124,252	91.8%
Residential:								
Manhattan	Residential	3 (3)	472,105	12	2,656,856	15	3,128,961	87.6%
Suburban	Residential	—	—	—	—	—	—	—%
Total residential properties		3	472,105	12	2,656,856	15	3,128,961	87.6%
Total portfolio		60	18,481,009	38	14,772,204	98	33,253,213	91.4%

(1) The weighted average occupancy for commercial properties represents the total occupied square feet divided by total square footage at acquisition. The weighted average occupancy for residential properties represents the total occupied units divided by total available units.
(2) Includes the property at 600 Lexington Avenue in New York, New York which is classified as held for sale at December 31, 2017.

(3) As of December 31, 2017, we owned a building that was comprised of approximately 270,132 square feet (unaudited) of retail space and approximately 222,855 square feet (unaudited) of residential space. For the purpose of this report, we have included the building in the number of retail properties we own. However, we have included only the retail square footage in the retail approximate square footage, and have listed the balance of the square footage as residential square footage.

(4) Includes the properties at 115-117 Stevens Avenue in Valhalla, New York, and 1-6 International Drive in Rye Brook, New York which are classified as held for sale at December 31, 2017.

As of December 31, 2017, we also managed an approximately 336,000 square foot (unaudited) office building owned by a third party and held debt and preferred equity investments with a book value of $2.3 billion, including $0.2 billion of debt and preferred equity investments and other financing receivables that are included in balance sheet line items other than the Debt and Preferred Equity Investments line item.

Partnership Agreement

In accordance with the partnership agreement of the Operating Partnership, or the Operating Partnership Agreement, we allocate all distributions and profits and losses in proportion to the percentage of ownership interests of the respective partners. As the managing general partner of the Operating Partnership, we are required to take such reasonable efforts, as determined by us in our sole discretion, to cause the Operating Partnership to distribute sufficient amounts to enable the payment of sufficient dividends by us to minimize any Federal income or excise tax at the Company level. Under the Operating Partnership Agreement, each limited partner has the right to redeem units of limited partnership interests for cash, or if we so elect, shares of our common stock on a one-for-one basis.

2. Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include our accounts and those of our subsidiaries, which are wholly-owned or controlled by us. Entities which we do not control through our voting interest and entities which are variable interest entities, but where we are not the primary beneficiary, are accounted for under the equity method. See Note 5, "Debt and Preferred Equity Investments" and Note 6, "Investments in Unconsolidated Joint Ventures." All significant intercompany balances and transactions have been eliminated.

We consolidate a variable interest entity, or VIE, in which we are considered the primary beneficiary. The primary beneficiary is the entity that has (i) the power to direct the activities that most significantly impact the entity's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could be significant to the VIE.

A noncontrolling interest in a consolidated subsidiary is defined as the portion of the equity (net assets) in a subsidiary not attributable, directly or indirectly, to us. Noncontrolling interests are required to be presented as a separate component of equity in the consolidated balance sheet and the presentation of net income is modified to present earnings and other comprehensive income attributed to controlling and noncontrolling interests.

We assess the accounting treatment for each joint venture and debt and preferred equity investment. This assessment includes a review of each joint venture or limited liability company agreement to determine the rights provided to each party and whether those rights are protective or participating. For all VIEs, we review such agreements in order to determine which party has the power to direct the activities that most significantly impact the entity's economic performance. In situations where we and our partner approve, among other things, the annual budget, receive a detailed monthly reporting package, meet on a quarterly basis to review the results of the joint venture, review and approve the joint venture's tax return before filing, and approve all leases that cover more than a nominal amount of space relative to the total rentable space at each property, we do not consolidate the joint venture as we consider these to be substantive participation rights that result in shared power of the activities that most significantly impact the performance of the joint venture. Our joint venture agreements typically contain certain protective rights such as requiring partner approval to sell, finance or refinance the property and the payment of capital expenditures and operating expenditures outside of the approved budget or operating plan.

In January 2018, the partnership agreement for our investment in the property at 919 Third Avenue was modified resulting in our partner now having substantive participating rights in the venture. As a result the investment will no longer be deemed a VIE and our investment in the property will be deconsolidated as of January 1, 2018. The Company will record its non-controlling interest at fair value. This fair value will be allocated to the assets and liabilities, including identified intangibles. Under this methodology, the leases are ascribed an in-place lease intangible value as well as an above or below market lease intangible value which will be amortized over the remaining term of the associated leases.

Investment in Commercial Real Estate Properties

Real estate properties are presented at cost less accumulated depreciation and amortization. Costs directly related to the development or redevelopment of properties are capitalized. Ordinary repairs and maintenance are expensed as incurred; major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives.

We recognize the assets acquired, liabilities assumed (including contingencies) and any noncontrolling interests in an acquired entity at their respective fair values on the acquisition date. When we acquire our partner's equity interest in an existing unconsolidated joint venture and gain control over the investment, we record the consolidated investment at fair value. The difference between the book value of our equity investment on the purchase date and our share of the fair value of the investment's purchase price is recorded as a purchase price fair value adjustment in our consolidated statements of operations. See Note 3, "Property Acquisitions."

We allocate the purchase price of real estate to land and building (inclusive of tenant improvements) and, if determined to be material, intangibles, such as the value of above- and below-market leases and origination costs associated with the in-place leases. We depreciate the amount allocated to building (inclusive of tenant improvements) over their estimated useful lives, which generally range from three to 40 years. We amortize the amount allocated to the above- and below-market leases over the remaining term of the associated lease, which generally range from one to 14 years, and record it as either an increase (in the case of below-market leases) or a decrease (in the case of above-market leases) to rental income. We amortize the amount allocated to the values associated with in-place leases over the expected term of the associated lease, which generally ranges from one to 14 years. If a tenant vacates its space prior to the contractual termination of the lease and no rental payments are being made on the lease, any unamortized balance of the related intangible will be written off. The tenant improvements and origination costs are amortized as an expense over the remaining life of the lease (or charged against earnings if the lease is terminated prior to its contractual expiration date). We assess fair value of the leases based on estimated cash flow projections that utilize appropriate discount and capitalization rates and available market information. Estimates of future cash flows are based on a number of factors including the historical operating results, known trends, and market/economic conditions that may affect the property. To the extent acquired leases contain fixed rate renewal options that are below-market and determined to be material, we amortize such below-market lease value into rental income over the renewal period. As of December 31, 2017, the weighted average amortization period for above-market leases, below-market leases, and in-place lease costs is 6.0 years, 23.3 years, and 16.3 years, respectively.

We incur a variety of costs in the development and leasing of our properties. After the determination is made to capitalize a cost, it is allocated to the specific component of a project that is benefited. Determination of when a development project is substantially complete and capitalization must cease involves a degree of judgment. The costs of land and building under development include specifically identifiable costs. The capitalized costs include, but are not limited to, pre-construction costs essential to the development of the property, development costs, construction costs, interest costs, real estate taxes, salaries and related costs and other costs incurred during the period of development. We consider a construction project as substantially completed and held available for occupancy upon the completion of tenant improvements, but no later than one year after major construction activity ceases. We cease capitalization on the portions substantially completed and occupied or held available for occupancy, and capitalize only those costs associated with the portions under construction.

Properties are depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Category	Term
Building (fee ownership)	40 years
Building improvements	shorter of remaining life of the building or useful life
Building (leasehold interest)	lesser of 40 years or remaining term of the lease
Property under capital lease	remaining lease term
Furniture and fixtures	four to seven years
Tenant improvements	shorter of remaining term of the lease or useful life

Depreciation expense (including amortization of capital lease assets) totaled $365.3 million, $783.5 million, and $523.8 million for the years ended December 31, 2017, 2016 and 2015, respectively.

On a periodic basis, we assess whether there are any indications that the value of our real estate properties may be other than temporarily impaired or that their carrying value may not be recoverable. A property's value is considered impaired if management's

estimate of the aggregate future cash flows (undiscounted) to be generated by the property is less than the carrying value of the property. To the extent impairment has occurred, the loss will be measured as the excess of the carrying amount of the property over the calculated fair value of the property.

We also evaluate our real estate properties for impairment when a property has been classified as held for sale. Real estate assets held for sale are valued at the lower of their carrying value or fair value less costs to sell and depreciation expense is no longer recorded. See Note 4, "Properties Held for Sale and Dispositions."

Cash and Cash Equivalents

We consider all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

Restricted Cash

Restricted cash primarily consists of security deposits held on behalf of our tenants, interest reserves, as well as capital improvement and real estate tax escrows required under certain loan agreements.

Fair Value Measurements

See Note 16, "Fair Value Measurements."

Investment in Marketable Securities

At acquisition, we designate a security as held-to-maturity, available-for-sale, or trading. As of December 31, 2017, we did not have any securities designated as held-to-maturity or trading. We account for our available-for-sale securities at fair value pursuant to Accounting Standards Codification, or ASC, 820-10, with the net unrealized gains or losses reported as a component of accumulated other comprehensive income or loss. Any unrealized losses that are determined to be other-than-temporary are recognized in earnings up to their credit component.

The cost of bonds and marketable securities sold is determined using the specific identification method.

At December 31, 2017 and 2016, we held the following marketable securities (in thousands):

	December 31,	
	2017	**2016**
Equity marketable securities	**$ —**	$ 48,315
Commercial mortgage-backed securities	**28,579**	36,795
Total marketable securities available-for-sale	**$ 28,579**	$ 85,110

The cost basis of the commercial mortgage-backed securities was $27.5 million and $36.0 million at December 31, 2017 and 2016, respectively. These securities mature at various times through 2035. We held no equity marketable securities as of December 31, 2017. The cost basis of the equity marketable securities was $43.3 million at December 31, 2016.

During the year ended December 31, 2017, we disposed of marketable securities for aggregate net proceeds of $55.1 million and realized a gain of $3.3 million, which is included in gain (loss) on sale of investment in marketable securities on the consolidated statements of operations.

During the year ended December 31, 2016, we disposed of marketable securities for aggregate net proceeds of $7.0 million and realized a loss of $0.1 million, which is included in gain (loss) on sale of investment in marketable securities on the consolidated statements of operations.

Investments in Unconsolidated Joint Ventures

We account for our investments in unconsolidated joint ventures under the equity method of accounting in cases where we exercise significant influence over, but do not control, these entities and are not considered to be the primary beneficiary. We consolidate those joint ventures that we control or which are VIEs and where we are considered to be the primary beneficiary. In all these joint ventures, the rights of the joint venture partner are both protective as well as participating. Unless we are determined to be the primary beneficiary in a VIE, these participating rights preclude us from consolidating these VIE entities. These investments are recorded initially at cost, as investments in unconsolidated joint ventures, and subsequently adjusted for equity in net income (loss) and cash contributions and distributions. Equity in net income (loss) from unconsolidated joint ventures is allocated based on our ownership or economic interest in each joint venture. When a capital event (as defined in each joint venture agreement) such as a refinancing occurs, if return thresholds are met, future equity income will be allocated at our increased economic interest.

We recognize incentive income from unconsolidated real estate joint ventures as income to the extent it is earned and not subject to a clawback feature. Distributions we receive from unconsolidated real estate joint ventures in excess of our basis in the investment are recorded as offsets to our investment balance if we remain liable for future obligations of the joint venture or may otherwise be committed to provide future additional financial support. None of the joint venture debt is recourse to us. The Company has performance guarantees under master leases at two joint ventures. See Note 6, "Investments in Unconsolidated Joint Ventures."

We assess our investments in unconsolidated joint ventures for recoverability, and if it is determined that a loss in value of the investment is other than temporary, we write down the investment to its fair value. We evaluate our equity investments for impairment based on the joint ventures' projected discounted cash flows. We do not believe that the values of any of our equity investments were impaired at December 31, 2017.

We may originate loans for real estate acquisition, development and construction, where we expect to receive some of the residual profit from such projects. When the risk and rewards of these arrangements are essentially the same as an investor or joint venture partner, we account for these arrangements as real estate investments under the equity method of accounting for investments. Otherwise, we account for these arrangements consistent with the accounting for our debt and preferred equity investments.

Deferred Lease Costs

Deferred lease costs consist of fees and direct costs incurred to execute operating leases and are amortized on a straight-line basis over the related lease term. Certain of our employees provide leasing services to the wholly-owned properties. For the years ended December 31, 2017, 2016 and 2015, $16.4 million, $15.4 million, and $15.4 million of their compensation, respectively, was capitalized and is amortized over an estimated average lease term of seven years.

Deferred Financing Costs

Deferred financing costs represent commitment fees, legal, title and other third party costs associated with obtaining commitments for financing which result in a closing of such financing. These costs are amortized over the terms of the respective agreements. Unamortized deferred financing costs are expensed when the associated debt is refinanced or repaid before maturity. Costs incurred in seeking financing transactions, which do not close, are expensed in the period in which it is determined that the financing will not close. Deferred debt issuance costs related to a recognized debt liability are presented in the balance sheet as a direct deduction from the carrying amount of that debt liability.

Revenue Recognition

Rental revenue is recognized on a straight-line basis over the term of the lease. Rental revenue recognition commences when the tenant takes possession or controls the physical use of the leased space. In order for the tenant to take possession, the leased space must be substantially ready for its intended use. To determine whether the leased space is substantially ready for its intended use, management evaluates whether we are or the tenant is the owner of tenant improvements for accounting purposes. When management concludes that we are the owner of tenant improvements, rental revenue recognition begins when the tenant takes possession of the finished space, which is when such tenant improvements are substantially complete. In certain instances, when management concludes that we are not the owner (the tenant is the owner) of tenant improvements, rental revenue recognition begins when the tenant takes possession of or controls the space. When management concludes that we are the owner of tenant improvements for accounting purposes, we record amounts funded to construct the tenant improvements as a capital asset. For these tenant improvements, we record amounts reimbursed by tenants as a reduction of the capital asset. When management concludes that the tenant is the owner of tenant improvements for accounting purposes, we record our contribution towards those improvements as a lease incentive, which is included in deferred costs, net on our consolidated balance sheets and amortized as a reduction to rental revenue on a straight-line basis over the term of the lease. The excess of rents recognized over amounts contractually due pursuant to the underlying leases are included in deferred rents receivable on the consolidated balance sheets. We establish, on a current basis, an allowance for future potential tenant credit losses, which may occur against this account. The balance reflected on the consolidated balance sheets is net of such allowance.

In addition to base rent, our tenants also generally will pay their pro rata share of increases in real estate taxes and operating expenses for the building over a base year. In some leases, in lieu of paying additional rent based upon increases in building operating expenses, the tenant will pay additional rent based upon increases in the wage rate paid to porters over the porters' wage rate in effect during a base year or increases in the consumer price index over the index value in effect during a base year. In addition, many of our leases contain fixed percentage increases over the base rent to cover escalations. Electricity is most often supplied by the landlord either on a sub-metered basis, or rent inclusion basis (i.e., a fixed fee is included in the rent for electricity, which amount may increase based upon increases in electricity rates or increases in electrical usage by the tenant). Base building services other than electricity (such as heat, air conditioning and freight elevator service during business hours, and base building cleaning) are typically provided at no additional cost, with the tenant paying additional rent only for services which exceed base

building services or for services which are provided outside normal business hours. These escalations are based on actual expenses incurred in the prior calendar year. If the expenses in the current year are different from those in the prior year, then during the current year, the escalations will be adjusted to reflect the actual expenses for the current year.

We recognized $20.3 million, $196.2 million, and $38.7 million of rental revenue for the years ended December 31, 2017, 2016, and 2015 respectively, for the amortization of aggregate below-market leases in excess of above-market leases and a reduction in lease origination costs, resulting from the allocation of the purchase price of the applicable properties. Included in rental revenue for the year ended December 31, 2016 is $172.4 million related to the amortization of below-market leases at 388-390 Greenwich Street as a result of the tenant exercising their option to purchase the property and entering into an agreement to accelerate the sale.

We recognized as a reduction to interest expense the amortization of the above-market rate mortgages assumed of $0.8 million, $2.8 million, and $2.3 million for the years ended December 31, 2017, 2016 and 2015, respectively.

The following summarizes our identified intangible assets (acquired above-market leases and in-place leases) and intangible liabilities (acquired below-market leases) as of December 31, 2017 and 2016 (in thousands):

	December 31,	
	2017	**2016**
Identified intangible assets (included in other assets):		
Gross amount	**$ 325,880**	$ 651,099
Accumulated amortization	**(277,038)**	(410,930)
Net[(1)]	**$ 48,842**	$ 240,169
Identified intangible liabilities (included in deferred revenue):		
Gross amount	**$ 540,283**	$ 655,930
Accumulated amortization	**(402,583)**	(464,749)
Net[(1)]	**$ 137,700**	$ 191,181

(1) As of December 31, 2017, $13.9 million net intangible assets and $4.1 million net intangible liabilities were reclassified to assets held for sale and liabilities related to assets held for sale.

The estimated annual amortization of acquired above-market leases, net of acquired (below-market) leases (a component of rental revenue), for each of the five succeeding years is as follows (in thousands):

2018	$ (13,853)
2019	(13,250)
2020	(12,432)
2021	(3,950)
2022	(3,647)

The estimated annual amortization of all other identifiable assets (a component of depreciation and amortization expense) including tenant improvements for each of the five succeeding years is as follows (in thousands):

2018	$ 9,700
2019	7,716
2020	6,783
2021	3,927
2022	2,365

We record a gain on sale of real estate when title is conveyed to the buyer, subject to the buyer's financial commitment being sufficient to provide economic substance to the sale and provided that we have no substantial economic involvement with the buyer.

Interest income on debt and preferred equity investments is accrued based on the contractual terms of the instruments and when, in the opinion of management, it is deemed collectible. Some debt and preferred equity investments provide for accrual of

interest at specified rates, which differ from current payment terms. Interest is recognized on such loans at the accrual rate subject to management's determination that accrued interest is ultimately collectible, based on the underlying collateral and operations of the borrower. If management cannot make this determination, interest income above the current pay rate is recognized only upon actual receipt.

Deferred origination fees, original issue discounts and loan origination costs, if any, are recognized as an adjustment to interest income over the terms of the related investments using the effective interest method. Fees received in connection with loan commitments are also deferred until the loan is funded and are then recognized over the term of the loan as an adjustment to yield. Discounts or premiums associated with the purchase of loans are amortized or accreted into interest income as a yield adjustment on the effective interest method based on expected cash flows through the expected maturity date of the related investment. If we purchase a debt or preferred equity investment at a discount, intend to hold it until maturity and expect to recover the full value of the investment, we accrete the discount into income as an adjustment to yield over the term of the investment. If we purchase a debt or preferred equity investment at a discount with the intention of foreclosing on the collateral, we do not accrete the discount. For debt investments acquired at a discount for credit quality, the difference between contractual cash flows and expected cash flows at acquisition is not accreted. Anticipated exit fees, the collection of which is expected, are also recognized over the term of the loan as an adjustment to yield.

Debt and preferred equity investments are placed on a non-accrual status at the earlier of the date at which payments become 90 days past due or when, in the opinion of management, a full recovery of interest income becomes doubtful. Interest income recognition on any non-accrual debt or preferred equity investment is resumed when such non-accrual debt or preferred equity investment becomes contractually current and performance is demonstrated to be resumed. Interest is recorded as income on impaired loans only to the extent cash is received.

We may syndicate a portion of the loans that we originate or sell the loans individually. When a transaction meets the criteria for sale accounting, we derecognize the loan sold and recognize gain or loss based on the difference between the sales price and the carrying value of the loan sold. Any related unamortized deferred origination fees, original issue discounts, loan origination costs, discounts or premiums at the time of sale are recognized as an adjustment to the gain or loss on sale, which is included in investment income on the consolidated statement of operations. Any fees received at the time of sale or syndication are recognized as part of investment income.

Asset management fees are recognized on a straight-line basis over the term of the asset management agreement.

Allowance for Doubtful Accounts

We maintain an allowance for doubtful accounts for estimated losses resulting from the inability of our tenants to make required payments. If the financial condition of a specific tenant were to deteriorate, resulting in an impairment of its ability to make payments, additional allowances may be required.

Reserve for Possible Credit Losses

The expense for possible credit losses in connection with debt and preferred equity investments is the charge to earnings to increase the allowance for possible credit losses to the level that we estimate to be adequate, based on Level 3 data, considering delinquencies, loss experience and collateral quality. Other factors considered include geographic trends, product diversification, the size of the portfolio and current economic conditions. Based upon these factors, we establish a provision for possible credit loss on each individual investment. When it is probable that we will be unable to collect all amounts contractually due, the investment is considered impaired.

Where impairment is indicated on an investment that is held to maturity, a valuation allowance is measured based upon the excess of the recorded investment amount over the fair value of the collateral. Any deficiency between the carrying amount of an asset and the calculated value of the collateral is charged to expense. We continue to assess or adjust our estimates based on circumstances of a loan and the underlying collateral. If additional information reflects increased recovery of our investment, we will adjust our reserves accordingly. There were no loan reserves recorded during the years ended December 31, 2017, 2016, and 2015.

Debt and preferred equity investments held for sale are carried at the lower of cost or fair market value using available market information obtained through consultation with dealers or other originators of such investments as well as discounted cash flow models based on Level 3 data pursuant to ASC 820-10. As circumstances change, management may conclude not to sell an investment designated as held for sale. In such situations, the investment will be reclassified at its net carrying value to debt and preferred equity investments held to maturity. For these reclassified investments, the difference between the current carrying value and the expected cash to be collected at maturity will be accreted into income over the remaining term of the investment.

Rent Expense

Rent expense is recognized on a straight-line basis over the initial term of the lease. The excess of the rent expense recognized over the amounts contractually due pursuant to the underlying lease is included in the deferred lease payable on the consolidated balance sheets.

Underwriting Commissions and Costs

Underwriting commissions and costs incurred in connection with our stock offerings are reflected as a reduction of additional paid-in-capital.

Exchangeable Debt Instruments

The initial proceeds from exchangeable debt that may be settled in cash, including partial cash settlements, are bifurcated between a liability component and an equity component associated with the embedded conversion option. The objective of the accounting guidance is to require the liability and equity components of exchangeable debt to be separately accounted for in a manner such that the interest expense on the exchangeable debt is not recorded at the stated rate of interest but rather at an effective rate that reflects the issuer's conventional debt borrowing rate at the date of issuance. We calculate the liability component of exchangeable debt based on the present value of the contractual cash flows discounted at our comparable market conventional debt borrowing rate at the date of issuance. The difference between the principal amount and the fair value of the liability component is reported as a discount on the exchangeable debt that is accreted as additional interest expense from the issuance date through the contractual maturity date using the effective interest method. A portion of this additional interest expense may be capitalized to the development and redevelopment balances qualifying for interest capitalization each period. The liability component of the exchangeable debt is reported net of discounts on our consolidated balance sheets. We calculate the equity component of exchangeable debt based on the difference between the initial proceeds received from the issuance of the exchangeable debt and the fair value of the liability component at the issuance date. The equity component is included in additional paid-in-capital, net of issuance costs, on our consolidated balance sheets. We allocate issuance costs for exchangeable debt between the liability and the equity components based on their relative values.

Transaction Costs

In January 2017, we adopted ASU No. 2017-01, Business Combinations: Clarifying the Definition of a Business, which changed how we account for transaction costs. Prior to January 2017, transaction costs were expensed as incurred. Starting in January 2017, transaction costs for asset acquisitions are capitalized to the investment basis which is then subject to a purchase price allocation based on relative fair value and transaction costs for business combinations or costs incurred on potential transactions which are not consummated are expensed as incurred.

Income Taxes

SL Green is taxed as a REIT under Section 856(c) of the Code. As a REIT, SL Green generally is not subject to Federal income tax. To maintain its qualification as a REIT, SL Green must distribute at least 90% of its REIT taxable income to its stockholders and meet certain other requirements. If SL Green fails to qualify as a REIT in any taxable year, SL Green will be subject to Federal income tax on its taxable income at regular corporate rates. SL Green may also be subject to certain state, local and franchise taxes. Under certain circumstances, Federal income and excise taxes may be due on its undistributed taxable income.

The Operating Partnership is a partnership and, as a result, all income and losses of the partnership are allocated to the partners for inclusion in their respective income tax returns. The only provision for income taxes included in the consolidated statements of operations relates to the Operating Partnership’s consolidated taxable REIT subsidiaries. The Operating Partnership may also be subject to certain state, local and franchise taxes.

Pursuant to amendments to the Code that became effective January 1, 2001, we have elected, and may elect in the future, to treat certain of our existing or newly created corporate subsidiaries as taxable REIT subsidiaries, or TRSs. In general, TRSs may perform non-customary services for the tenants of the Company, hold assets that we cannot hold directly and generally may engage in any real estate or non-real estate related business. The TRSs generate income, resulting in Federal and state income tax liability for these entities.

During the years ended December 31, 2017, 2016 and 2015, we recorded Federal, state and local tax provisions of $4.3 million, $2.8 million, and $3.1 million, respectively. For the year ended December 31, 2017, the Company paid distributions on its common stock of $3.10 per share which represented $1.24 per share of ordinary income and $1.86 per share of capital gains. For the year ended December 31, 2016, the Company paid distributions on its common stock of $2.88 per share which represented $2.48 per share of ordinary income, and $0.40 per share of capital gains. For the year ended December 31, 2015, the Company

paid distributions on its common stock of $2.40 per share which represented $0.00 per share of ordinary income and $2.40 per share of capital gains.

We follow a two-step approach for evaluating uncertain tax positions. Recognition (step one) occurs when an enterprise concludes that a tax position, based solely on its technical merits, is more-likely-than-not to be sustained upon examination. Measurement (step two) determines the amount of benefit that is more-likely-than-not to be realized upon settlement. Derecognition of a tax position that was previously recognized would occur when a company subsequently determines that a tax position no longer meets the more-likely-than-not threshold of being sustained. The use of a valuation allowance as a substitute for derecognition of tax positions is prohibited.

On December 22, 2017, the Tax Cuts and Jobs Act (the ‘‘Tax Act’’) was signed into law and makes substantial changes to the Code. Many of the provisions of the Tax Act will require guidance through the issuance of Treasury regulations in order to assess their effect. The Tax Act did not have a material impact on our financial statements for the year ended December, 31, 2017.

Stock-Based Employee Compensation Plans

We have a stock-based employee compensation plan, described more fully in Note 14, "Share-based Compensation."

The Company's stock options are recorded at fair value at the time of issuance. Fair value of the stock options is determined using the Black-Scholes option pricing model. The Black-Scholes model was developed for use in estimating the fair value of traded options, which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because our plan has characteristics significantly different from those of traded options and because changes in the subjective input assumptions can materially affect the fair value estimate, in our opinion, the existing models do not necessarily provide a reliable single measure of the fair value of the employee stock options.

Compensation cost for stock options, if any, is recognized over the vesting period of the award. Our policy is to grant options with an exercise price equal to the quoted closing market price of the Company's common stock on either the grant date or the date immediately preceding the grant date. Awards of stock or restricted stock are expensed as compensation over the benefit period based on the fair value of the stock on the grant date.

For share-based awards with a performance or market measure, we recognize compensation cost over the requisite service period, using the accelerated attribution expense method. The requisite service period begins on the date the compensation committee of our board of directors authorizes the award, adopts any relevant performance measures and communicates the award to the employees. For programs with awards that vest based on the achievement of a performance condition or market condition, we determine whether it is probable that the performance condition will be met, and estimate compensation cost based on the fair value of the award at the applicable award date estimated using a binomial model or market quotes. For share-based awards for which there is no pre-established performance measure, we recognize compensation cost over the service vesting period, which represents the requisite service period, on a straight-line basis. In accordance with the provisions of our share-based incentive compensation plans, we accept the return of shares of the Company's common stock, at the current quoted market price, from certain key employees to satisfy minimum statutory tax-withholding requirements related to shares that vested during the period.

Awards can also be made in the form of a separate series of units of limited partnership interest in the Operating Partnership called long-term incentive plan units, or LTIP units. LTIP units, which can be granted either as free-standing awards or in tandem with other awards under our stock incentive plan, are valued by reference to the value of the Company's common stock at the time of grant, and are subject to such conditions and restrictions as the compensation committee of the Company's board of directors may determine, including continued employment or service, computation of financial metrics and/or achievement of pre-established performance goals and objectives.

Derivative Instruments

In the normal course of business, we use a variety of commonly used derivative instruments, such as interest rate swaps, caps, collars and floors, to manage, or hedge, interest rate risk. Effectiveness is essential for those derivatives that we intend to qualify for hedge accounting. Some derivative instruments are associated with an anticipated transaction. In those cases, hedge effectiveness criteria also require that it be probable that the underlying transaction occurs. Instruments that meet these hedging criteria are formally designated as hedges at the inception of the derivative contract.

To determine the fair values of derivative instruments, we use a variety of methods and assumptions that are based on market conditions and risks existing at each balance sheet date. For the majority of financial instruments including most derivatives, long-term investments and long-term debt, standard market conventions and techniques such as discounted cash flow analysis, option

pricing models, replacement cost, and termination cost are used to determine fair value. All methods of assessing fair value result in a general approximation of value, and such value may never actually be realized.

In the normal course of business, we are exposed to the effect of interest rate changes and limit these risks by following established risk management policies and procedures including the use of derivatives. To address exposure to interest rates, derivatives are used primarily to fix the rate on debt based on floating-rate indices and manage the cost of borrowing obligations.

We use a variety of conventional derivative products. These derivatives typically include interest rate swaps, caps, collars and floors. We expressly prohibit the use of unconventional derivative instruments and using derivative instruments for trading or speculative purposes. Further, we have a policy of only entering into contracts with major financial institutions based upon their credit ratings and other factors.

We may employ swaps, forwards or purchased options to hedge qualifying forecasted transactions. Gains and losses related to these transactions are deferred and recognized in net income as interest expense in the same period or periods that the underlying transaction occurs, expires or is otherwise terminated.

Hedges that are reported at fair value and presented on the balance sheet could be characterized as cash flow hedges or fair value hedges. Interest rate caps and collars are examples of cash flow hedges. Cash flow hedges address the risk associated with future cash flows of interest payments. For all hedges held by us and which were deemed to be fully effective in meeting the hedging objectives established by our corporate policy governing interest rate risk management, no net gains or losses were reported in earnings. The changes in fair value of hedge instruments are reflected in accumulated other comprehensive income. For derivative instruments not designated as hedging instruments, the gain or loss, resulting from the change in the estimated fair value of the derivative instruments, is recognized in current earnings during the period of change.

Earnings per Share of the Company

The Company presents both basic and diluted earnings per share, or EPS. Basic EPS excludes dilution and is computed by dividing net income or loss attributable to common stockholders by the weighted average number of common shares outstanding during the period. Basic EPS includes participating securities, consisting of unvested restricted stock that receive nonforfeitable dividends similar to shares of common stock. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock, where such exercise or conversion would result in a lower EPS amount. Diluted EPS also includes units of limited partnership interest. The dilutive effect of stock options is reflected in the weighted average diluted outstanding shares calculation by application of the treasury stock method. There is no dilutive effect for the exchangeable senior notes as the conversion premium will be paid in cash.

Earnings per Unit of the Operating Partnership

The Operating Partnership presents both basic and diluted earnings per unit, or EPU. Basic EPU excludes dilution and is computed by dividing net income or loss attributable to common unitholders by the weighted average number of common units outstanding during the period. Basic EPU includes participating securities, consisting of unvested restricted units that receive nonforfeitable dividends similar to shares of common units. Diluted EPU reflects the potential dilution that could occur if securities or other contracts to issue common units were exercised or converted into common units, where such exercise or conversion would result in a lower EPU amount. The dilutive effect of unit options is reflected in the weighted average diluted outstanding units calculation by application of the treasury stock method. There is no dilutive effect for the exchangeable senior notes as the conversion premium will be paid in cash.

Use of Estimates

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

Concentrations of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash investments, debt and preferred equity investments and accounts receivable. We place our cash investments with high quality financial institutions. The collateral securing our debt and preferred equity investments is located in the New York metropolitan area. See Note 5, "Debt and Preferred Equity Investments."

We perform ongoing credit evaluations of our tenants and require most tenants to provide security deposits or letters of credit. Though these security deposits and letters of credit are insufficient to meet the total value of a tenant's lease obligation, they are a measure of good faith and a source of funds to offset the economic costs associated with lost revenue and the costs

associated with re-tenanting a space. The properties in our real estate portfolio are located in the New York metropolitan area. The tenants located in our buildings operate in various industries. Other than one tenant, Credit Suisse Securities (USA), Inc., who accounts for 8.0% of our share of annualized cash rent, no other tenant in our portfolio accounted for more than 5.0% of our share of annualized cash rent, including our share of joint venture annualized rent, at December 31, 2017. For the year ended December 31, 2017, 7.1%, 7.1%, 7.0%, 6.0%, and 5.6% of our annualized cash rent for consolidated properties was attributable to 11 Madison Avenue, 1185 Avenue of the Americas, 1515 Broadway, 420 Lexington Avenue, and One Madison Avenue, respectively. Annualized cash rent for all other consolidated properties was below 5.0%.

For the year ended December 31, 2016, 8.8%, 6.9%, 6.1%, 5.9%, and 5.6% of our annualized cash rent for consolidated properties was attributable to 1515 Broadway, 1185 Avenue of the Americas, 11 Madison Avenue, 420 Lexington Avenue, and One Madison Avenue, respectively. For the year ended December 31, 2015, 8.9%, 8.2%, 6.6%, 6.5%, and 5.6% of our annualized cash rent for consolidated properties was attributable to 1515 Broadway, 388-390 Greenwich Street, 1185 Avenue of the Americas, 11 Madison Avenue, and 420 Lexington Avenue, respectively.

As of December 31, 2017, 68.4% of our work force is covered by six collective bargaining agreements and 55.0% of our work force, which services substantially all of our properties, is covered by a collective bargaining agreement, which expires in December 2019. Approximately 8.8% of our work force is covered by a collective bargaining agreement which expires in December 2018. See Note 19, "Benefits Plans."

Reclassification

Certain prior year balances have been reclassified to conform to our current year presentation.

Accounting Standards Updates

In August 2017, the FASB issued Accounting Standards Update (ASU) No. 2017-12, Derivatives and Hedging (Topic 815), Targeted Improvements to Accounting for Hedging Activities. The amendments in the new standard will permit more flexibility in hedging interest rate risk for both variable rate and fixed rate financial instruments. The standard will also enhance the presentation of hedge results in the financial statements. The guidance is effective for fiscal years beginning after December 15, 2018 and early adoption is permitted. The Company has not yet adopted the guidance, and does not expect a material impact on the Company’s consolidated financial statements when the new standard is implemented.

In May 2017, the FASB issued Accounting Standards Update (ASU) No. 2017-09, Compensation - Stock Compensation (Topic 718), Scope of Modification Accounting. The guidance clarifies the changes to the terms or conditions of a share-based payment award that require an entity to apply modification accounting in Topic 718. The guidance is effective for fiscal years beginning after December 15, 2017 and early adoption is permitted. The Company has not yet adopted the guidance, and does not expect a material impact on the Company’s consolidated financial statements when the new standard is implemented.

In January 2017, the FASB issued ASU No. 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business. The guidance clarifies the definition of a business and provides guidance to assist with determining whether transactions should be accounted for as acquisitions of assets or businesses. The main provision is that an acquiree is not a business if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or group of assets. The Company adopted the guidance on the issuance date effective January 5, 2017. The Company expects that most of its real estate acquisitions will be considered asset acquisitions under the new guidance and that transaction costs will be capitalized to the investment basis which is then subject to a purchase price allocation based on relative fair value.

In November 2016, the FASB issued ASU No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. The guidance will require entities to show the changes on the total cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. As a result, entities will no longer present transfers between these items on the statement of cash flows. The guidance is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted. The Company has not yet adopted this new guidance and is currently evaluating the impact of adopting this new accounting standard on the Company’s consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments. The ASU provides final guidance on eight cash flow issues, including debt prepayment or debt extinguishment costs, contingent consideration payments made after a business combination, distributions received from equity method investees, separately identifiable cash flows and application of the predominance principle, and others. The amendments in the ASU are effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. The Company adopted the guidance effective January 1, 2017 and there was no impact on the Company’s consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The guidance changes how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The guidance replaces the current ‘incurred loss’ model with an ‘expected loss’ approach. The guidance is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted after December 2018. The Company has not yet adopted this new guidance and is currently evaluating the impact of adopting this new accounting standard on the Company’s consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. The guidance simplifies the accounting for share-based payment award transactions including: income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. The guidance is effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. Early adoption is permitted. The Company adopted the guidance effective January 1, 2017 and there was no material impact on the Company’s consolidated financial statements.

In March 2016, the FASB issued ASU 2016-07, Investments Equity Method and Joint Ventures (Topic 323). The guidance eliminates the requirement that an entity retroactively adopt the equity method of accounting if an investment qualifies for use of the equity method as a result of an increase in the level of ownership or degree of influence. The amendments require that the equity method investor add the cost of acquiring the additional interest in the investee to the current basis of the investor’s previously held interest and adopt the equity method of accounting as of the date the investment becomes qualified for equity method accounting. The Company adopted the guidance effective January 1, 2017 and there was no impact on the Company’s consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases. The guidance requires lessees to recognize lease assets and lease liabilities for those leases classified as operating leases under the previous standard. Depending on the lease classification, lessees will recognize expense based on the effective interest method for finance leases or on a straight-line basis for operating leases. The accounting applied by a lessor is largely unchanged from that applied under the previous standard. One of the potential impacts on the Company may be the presentation and disclosure in the financial statements of non-lease components such as charges to tenants for a building’s operating expenses. As currently written, the guidance would require that the non-lease components be presented separately from the lease components in both the Consolidated Statements of Operations and Consolidated Balance Sheets. In January 2018, the FASB issued an exposure draft, Leases (Topic 842) Targeted Improvements, which would provide lessors with a practical expedient to not separate non-lease components from the related lease component under certain conditions. We anticipate the majority of our leases would qualify for the practical expedient. We expect this guidance to be finalized in 2018 and, as a result, we would adopt the practical expedient. Another impact is the measurement and presentation of ground leases under which the Company is lessee. The Company is required to record a liability for the obligation to make payments under the lease and an asset for the right to use the underlying asset during the lease term and will also apply the new expense recognition requirements given the lease classification. The Company is currently quantifying these impacts. The guidance is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted. The Company expects to adopt this guidance January 1, 2019 and will apply the modified retrospective approach.

In January 2016, the FASB issued ASU 2016-01 (Subtopic 825-10), Recognition and Measurement of Financial Assets and Financial Liabilities. The guidance requires entities to measure equity investments that do not result in consolidation and are not accounted for under the equity method at fair value through earnings to record changes in instruments-specific credit risk for financial liabilities measured under the fair value option in other comprehensive income, use the exit price notion when measuring an instrument’s fair value for disclosure and to separately present financial assets and liabilities by measurement category and form of instrument on the balance sheet or in the notes to the financial statements. The guidance is effective for fiscal years beginning after December 15, 2017, and for interim periods therein. The Company has not yet adopted this new guidance and does not expect a material impact on the Company’s consolidated financial statements when the new standard is implemented.

In May 2014, the FASB issued a new comprehensive revenue recognition guidance which requires us to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods and services (ASU 2014-09). The FASB also issued implementation guidance in March 2016, April 2016 and May 2016 - ASU’s 2016-08, 2016-10 and 2016-12, respectively. These ASUs are effective for annual and interim periods beginning after December 15, 2017. The Company will adopt this guidance January 1, 2018. Since the Company’s revenue is related to leasing activities, the adoption of this guidance will not have a material impact on the consolidated financial statements. The new guidance is applicable to service contracts with joint ventures for which the Company earns property management fees, leasing commissions and development and construction fees. The adoption of this new guidance does not change the accounting for these fees as the pattern of recognition of revenue does not change with the new guidance. We will continue to

recognize revenue over time on these contracts because the customer simultaneously receives and consumes the benefits provided by our performance. Thus, the analysis of our contracts under the new revenue recognition standard is consistent with our current revenue recognition model.

In February 2017, the FASB issued Accounting Standards Update (ASU) No. 2017-05 to clarify the scope of asset derecognition guidance in Subtopic 610-20, which also provided guidance on accounting for partial sales of nonfinancial assets. Subtopic 610-20 was issued in May 2014 as part of ASU 2014-09. The Company will adopt this guidance January 1, 2018, and apply the modified retrospective approach. Additionally, the Company will elect to adopt the practical expedient under ASC 606, Revenue from Contracts with Customers, which allows an entity to apply the guidance to only to contracts with non-customers that are open based on the ASU 360-20, Real Estate Sales, (i.e. failed sales) as of the adoption date. The Company had one open contract in 2017 with a non-customer that will be evaluated under ASC 610-20. The Company entered into an agreement to sell a portion of their interest in an entity that held a controlling interest in the property at 1515 Broadway. Upon execution of the agreement in 2017, the transaction was evaluated under ASC 360-20, Real Estate Sales, and did not meet the criteria for sale accounting. Upon adoption of ASC 606, this contract will have met the criteria for sale accounting under ASC 610-20 and will be recorded in the first quarter of 2018 as an adjustment to beginning retained earnings. Through the sale, the Company no longer retains a controlling interest, as defined in ASC 810, Consolidation, and the impact of this adjustment will be a gain of $0.6 billion from the sale of the partial interest and related step-up in basis to fair value of the non-controlling interest retained. The Company will use the purchase price paid by the third party as an indicator of fair value. This purchase price will be allocated to the assets and liabilities, including identified intangibles. Under this methodology the leases are ascribed an in-place lease intangible value as well as an above or below market lease intangible value which will be amortized over the remaining term of the associated leases.

3. Property Acquisitions

2017 Acquisitions

During the year ended December 31, 2017, we did not acquire any properties from a third party.

2016 Acquisitions

During the year ended December 31, 2016, the property listed below was acquired from a third party. The following summarizes our final allocation of the purchase price of the assets acquired and liabilities assumed upon the closing of this acquisition (in thousands):

	183 Broadway
Acquisition Date	March 2016
Ownership Type	Fee Interest
Property Type	Retail/Residential
Purchase Price Allocation:	
Land	$ 5,799
Building and building leasehold	23,431
Above-market lease value	—
Acquired in-place leases	773
Other assets, net of other liabilities	20
Assets acquired	30,023
Mark-to-market assumed debt	—
Below-market lease value	(1,523)
Derivatives	—
Liabilities assumed	(1,523)
Purchase price	$ 28,500
Net consideration funded by us at closing, excluding consideration financed by debt	$ 28,500
Equity and/or debt investment held	$ —
Debt assumed	$ —

2015 Acquisitions

During the year ended December 31, 2016, we finalized the purchase price allocations for the following 2015 acquisitions based on facts and circumstances that existed at the acquisition date for each property (in thousands):

	600 Lexington Avenue [1][2]	187 Broadway and 5 & 7 Dey Street [1][3]	11 Madison Avenue [1]	110 Greene Street [1][4]	Upper East Side Residential [1][5]	1640 Flatbush Avenue[1]
Acquisition Date	December 2015	August 2015	August 2015	July 2015	June 2015	March 2015
Ownership Type	Fee Interest	Fee Interest	Fee Interest	Fee Interest	Fee Interest	Fee Interest
Property Type	Office	Residential/Retail	Office	Office	Residential/Retail	Retail
Purchase Price Allocation:						
Land	$ 81,670	$ 20,266	$ 675,776	$ 45,120	$ 48,152	$ 6,226
Building and building leasehold	182,447	42,468	1,553,602	215,470	—	501
Above-market lease value	3,320	17	19,764	—	—	—
Acquired in-place leases	22,449	3,621	366,949	8,967	1,922	146
Other assets, net of other liabilities	—	—	—	—	—	—
Assets acquired	289,886	66,372	2,616,091	269,557	50,074	6,873
Mark-to-market assumed debt	(55)	—	—	—	—	—
Below-market lease value	(5,831)	(3,226)	(187,732)	(14,557)	—	(73)
Derivatives	—	—	—	—	—	—
Liabilities assumed	(5,886)	(3,226)	(187,732)	(14,557)	—	(73)
Purchase price	$ 284,000	$ 63,146	$ 2,428,359	$ 255,000	$ 50,074	$ 6,800
Net consideration funded by us at closing, excluding consideration financed by debt	$ 79,085	$ —	$ —	$ —	$ —	$ —
Equity and/or debt investment held	$ 54,575	$ —	$ —	$ —	$ —	$ —
Debt assumed	$ 112,795	$ —	$ —	$ —	$ —	$ —

(1) Based on our preliminary analysis of the purchase price, we had allocated $97.0 million and $180.2 million to land and building, respectively, at 600 Lexington Avenue, $22.1 million and $41.0 million to land and building, respectively, at 187 Broadway and 5&7 Dey Street, $849.9 million and $1.6 billion to land and building, respectively, at 11 Madison Avenue, $89.3 million and $165.8 million to land and building, respectively, at 110 Greene Street, and $17.5 million and $32.5 million to land and building, respectively, at the Upper Eastside Residential Property and $6.1 million and $0.7 million to land and building, respectively, at 1640 Flatbush Avenue. The impact to our consolidated statements of operations for the twelve months ended December 31, 2015 was an increase in rental revenue of $7.8 million for the amortization of aggregate below-market leases and an additional $18.5 million of depreciation expense.

(2) In December 2015, we acquired Canada Pension Plan Investment Board's 45% interest in this property, thereby consolidating full ownership of the property. The transaction valued the consolidated interests at $277.3 million. We recognized a purchase price fair value adjustment of $40.1 million upon closing of this transaction. This property, which we initially acquired in May 2010, was previously accounted for as an investment in unconsolidated joint ventures.

(3) We acquired this property for consideration that included the issuance of $10.0 million and $26.9 million aggregate liquidation preferences of Series R and S Preferred Units, respectively, of limited partnership interest of the Operating Partnership and cash.

(4) We acquired a 90.0% controlling interest in this property for consideration that included the issuance of $5.0 million and $6.7 million aggregate liquidation preferences of Series P and Q Preferred Units, respectively, of limited partnership interest of the Operating Partnership and cash.

(5) We, along with our joint venture partner, acquired this property for consideration that included the issuance of $13.8 million aggregate liquidation preference of Series N Preferred Units of limited partnership interest of the Operating Partnership and cash. We hold a 95.1% controlling interest in this joint venture.

For business combinations achieved in stages, the acquisition-date fair value of our equity interest in a property immediately before the acquisition date is determined based on estimated cash flow projections that utilize available market information and discount and capitalization rates that we deem appropriate. Estimates of future cash flows are based on a number of factors including historical operating results, known and anticipated trends, and market and economic conditions. The acquisition-date fair value of the equity interest in 600 Lexington Avenue, which was acquired in 2015, immediately before the acquisition date and the resulting purchase price fair value adjustment, as determined in accordance with the methodology set out in the prior sentence, are as follows (in thousands):

	600 Lexington Avenue
Contract purchase price	$ 284,000
Net consideration funded by us at closing, excluding consideration financed by debt	(79,085)
Debt assumed	(112,795)
Fair value of retained equity interest	92,120
Equity and/or debt investment held	(54,575)
Other[1]	2,533
Purchase price fair value adjustment	$ 40,078

(1) Includes the acceleration of a deferred leasing commission from the joint venture to the Company.

Pro Forma Unaudited

The following table summarizes, on an unaudited pro forma basis, the results of operations of 11 Madison Avenue, which are included in the consolidated results of operations for year ended December 31, 2015 as though the acquisition of 11 Madison Avenue was completed on January 1, 2015. The supplemental pro forma data is not necessarily indicative of what the actual results of operations would have been assuming the transactions had been completed as set forth above, nor do they purport to represent our results of operations for future periods.

(in thousands, except per share/unit amounts)		
Actual revenues since acquisition	**$**	**29,865**
Actual net income since acquisition		**159**
Pro forma revenues		**1,657,937**
Pro forma income from continuing operations [1]		**102,440**
Pro forma basic earnings per share	**$**	**0.76**
Pro forma diluted earnings per share	**$**	**0.75**
Pro forma basic earnings per unit	**$**	**0.76**
Pro forma diluted earnings per unit	**$**	**0.75**

(1) The pro forma income from continuing operations for the year ended December 31, 2015 includes the effect of the incremental borrowings, including a $1.4 billion, 10-year, interest only, fixed rate mortgage financing carrying a per annum stated interest rate of 3.838% to complete the acquisition and the preliminary allocation of purchase price.

4. Properties Held for Sale and Property Dispositions

Properties Held for Sale

As of December 31, 2017, 600 Lexington Avenue in Manhattan, 115-117 Stevens Avenue in Valhalla, New York, and 1-6 International Drive in Rye Brook, New York were classified as held for sale. During the fourth quarter of 2017, we entered into an agreement to sell the property at 600 Lexington Avenue for a gross asset valuation of $305.0 million. We closed on the sale of 600 Lexington Avenue in January 2018.

During the fourth quarter of 2017, the Company recorded a charge of $17.8 million in connection with the reclassification of 115-117 Stevens Avenue to held for sale, and a charge of $69.1 million in connection with the reclassification of 1-6 International Drive to held for sale. These charges are included in depreciable real estate reserves in the consolidated statement of operations.

The Company classified 16 Court Street in Brooklyn, New York and 125 Chubb Way in Lyndhurst, New Jersey as held for sale as of September 30, 2017; 125 Chubb Way in Lyndhurst, New Jersey and the properties at 680-750 Washington Boulevard in Stamford, Connecticut as held for sale as of June 30, 2017; and 520 White Plains Road in Tarrytown, NY and a 90% interest in 102 Greene Street in New York, NY as held for sale as of March 31, 2017.

Property Dispositions

The following table summarizes the properties sold during the years ended December 31, 2017, 2016, and 2015:

Property	Disposition Date	Property Type	(unaudited) Approximate Usable Square Feet	Sales Price[1] (in millions)	Gain (Loss) on Sale[2] (in millions)
1515 Broadway [3]	December 2017	Office	1,750,000	$ 1,950.0	$ —
125 Chubb Way [4]	October 2017	Office	278,000	29.5	(26.1)
16 Court Street	October 2017	Office	317,600	171.0	64.9
680-750 Washington Boulevard [5]	July 2017	Office	325,000	97.0	(44.2)
520 White Plains Road [6]	April 2017	Office	180,000	21.0	(14.6)
102 Greene Street [7]	April 2017	Retail	9,200	43.5	4.9
400 East 57th Street	October 2016	Residential	290,482	83.3	23.9
11 Madison Avenue [8]	August 2016	Office	2,314,000	2,605.0	3.6
500 West Putnam [9]	July 2016	Office	121,500	41.0	(10.4)
388 Greenwich	June 2016	Office	2,635,000	2,002.3	206.5
7 International Drive	May 2016	Land	31 Acres	20.0	(6.9)
248-252 Bedford Avenue	February 2016	Residential	66,611	55.0	15.3
885 Third Avenue [10]	February 2016	Land	607,000	453.0	(8.8)
140-150 Grand Street [11]	December 2015	Office/Development	215,100	32.0	(20.1)
570 & 574 Fifth Avenue	December 2015	Development	24,327	125.4	24.6
120 West 45th Street	September 2015	Office	440,000	365.0	58.6
131-137 Spring Street [12]	August 2015	Office	68,342	277.8	101.1
180 Maiden Lane	January 2015	Office	1,090,000	470.0	17.0

(1) Sales price represents the actual sales price for an entire property or the gross asset valuation for interests in a property.
(2) The gain on sale for 16 Court Street, 102 Greene Street, 400 East 57th Street, 11 Madison Avenue, 388 Greenwich, 248-252 Bedford Avenue, 570 & 574 Fifth Avenue, 120 West 45th Street, 131-137 Spring Street, and 180 Maiden Lane are net of $2.5 million, $0.9 million, $1.0 million, $0.6 million, $1.6 million, $1.3 million, $4.0 million, $2.0 million, $4.1 million, and $0.8 million in employee compensation accrued in connection with the realization of these investment gains. Additionally, amounts do not include adjustments for expenses recorded in subsequent periods.
(3) In November 2017, the Company sold a 30.13% interest in 1515 Broadway to affiliates of Allianz Real Estate. The sale did not meet the criteria for sale accounting and as a result the property was accounted for under the profit sharing method. The Company achieved sale accounting upon adoption of ASC 610-20 in January 2018 and closed on the sale of an additional 12.87% interest in the property to Allianz in February 2018. See Note 6, "Investments in Unconsolidated Joint Ventures."
(4) The Company recorded a $26.1 million charge in 2017 that is included in depreciable real estate reserves in the consolidated statement of operations.
(5) The Company recorded a $44.2 million charge in 2017 that is included in depreciable real estate reserves in the consolidated statement of operations.
(6) The Company recorded a $14.6 million charge in 2017 that is included in depreciable real estate reserves in the consolidated statement of operations.
(7) In April 2017, we closed on the sale of a 90% interest 102 Greene Street and had subsequently accounted for our interest in the property as an investment

in unconsolidated joint ventures. We sold the remaining 10% interest in September 2017. See Note 6, "Investments in Unconsolidated Joint Ventures."

(8) In August 2016, we sold a 40% interest in 11 Madison Avenue. The sale did not meet the criteria for sale accounting and, as a result, the property was accounted for under the profit sharing method. In November 2016, the Company obtained consent to the modifications to the mortgage on the property, which resulted in the Company achieving sale accounting on the transaction. See Note 6, "Investments in Unconsolidated Joint Ventures."

(9) The Company recorded a $10.4 million charge in 2016 that is included in depreciable real estate reserves in the consolidated statement of operations

(10) In February 2016, we closed on the sale of 885 Third Avenue. The sale did not meet the criteria for sale accounting and as a result the property remained on our consolidated financial statements until the criteria was met in April 2017.

(11) The Company recorded a $19.2 million charge in 2015 that is included in depreciable real estate reserves in the consolidated statement of operations.

(12) We sold an 80% interest in 131-137 Spring Street and have subsequently accounted for our interest in the properties as an investment in unconsolidated joint ventures. See Note 6, "Investments in Unconsolidated Joint Ventures."

Discontinued Operations

The Company adopted ASU 2014-08 effective January 1, 2015 which raised the threshold for disposals to qualify as discontinued operations to include only dispositions that represent a strategic shift in an entity's operations. The guidance was applied prospectively for new disposals. Since adoption no disposals have been deemed to represent strategic shifts in the Company's operations and as a result, the results of operations of all disposals are included in continuing operations for all periods presented. Discontinued operations includes the results of operations of 180 Maiden Lane which was held for sale at December 31, 2014 and sold in January 2015.

The following table summarizes net income from discontinued operations for the years ended December 31, 2017, 2016, and 2015 respectively (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Revenues			
Rental revenue	$ —	$ —	$ 236
Escalation and reimbursement revenues	—	—	(127)
Other income	—	—	—
Total revenues	—	—	109
Operating expenses	—	—	(631)
Real estate taxes	—	—	250
Ground rent	—	—	—
Transaction related costs	—	—	(49)
Interest expense, net of interest income	—	—	109
Amortization of deferred financing costs	—	—	3
Depreciation and amortization	—	—	—
Total expenses	—	—	(318)
Net income from discontinued operations	$ —	$ —	$ 427

5. Debt and Preferred Equity Investments

Below is the rollforward analysis of the activity relating to our debt and preferred equity investments as of December 31, 2017 and 2016 (in thousands):

	December 31, 2017	December 31, 2016
Balance at beginning of period [(1)]	**$ 1,640,412**	$ 1,670,020
Debt investment originations/accretion [(2)]	**1,142,591**	1,009,176
Preferred Equity investment originations/accretion [(2)]	**144,456**	5,698
Redemptions/sales/syndications/amortization [(3)]	**(813,418)**	(1,044,482)
Balance at end of period [(1)]	**$ 2,114,041**	$ 1,640,412

(1) Net of unamortized fees, discounts, and premiums.

(2) Accretion includes amortization of fees and discounts and paid-in-kind investment income.

(3) Certain participations in debt investments that were sold or syndicated did not meet the conditions for sale accounting are included in other assets and other liabilities on the consolidated balance sheets.

Debt Investments

As of December 31, 2017 and 2016, we held the following debt investments with an aggregate weighted average current yield of 9.31%, excluding our investment in Two Herald Square, at December 31, 2017 (in thousands):

Loan Type	December 31, 2017 Future Funding Obligations	December 31, 2017 Senior Financing	December 31, 2017 Carrying Value (1)	December 31, 2016 Carrying Value (1)	Maturity Date (2)
Fixed Rate Investments:					
Mortgage/Jr. Mortgage Loan(3)	$ —	$ —	$ 250,464	$ —	April 2017
Mortgage Loan(4)	—	—	26,366	26,311	February 2019
Mortgage Loan	—	—	239	380	August 2019
Mezzanine Loan(5a)	—	1,160,000	204,005	—	March 2020
Mezzanine Loan	—	15,000	3,500	3,500	September 2021
Mezzanine Loan	—	147,000	24,913	—	April 2022
Mezzanine Loan	—	86,976	12,699	12,692	November 2023
Mezzanine Loan(5b)	—	115,000	12,932	12,925	June 2024
Mezzanine Loan	—	95,000	30,000	30,000	January 2025
Mezzanine Loan	—	340,000	15,000	15,000	November 2026
Mezzanine Loan	—	1,657,500	55,250	—	June 2027
Mezzanine Loan(6)	—	—	—	66,129	
Jr. Mortgage Participation/Mezzanine Loan (7)	—	—	—	193,422	
Total fixed rate	$ —	$ 3,616,476	$ 635,368	$ 360,359	
Floating Rate Investments:					
Mezzanine Loan(5c)(8)	$ 795	$ —	$ 15,148	$ 15,051	March 2018
Mezzanine Loan	—	40,000	19,982	19,913	April 2018
Jr. Mortgage Participation	—	94,546	34,947	34,844	April 2018
Mezzanine Loan	523	20,523	10,934	10,863	August 2018
Mortgage/Mezzanine Loan	—	—	19,940	19,840	August 2018
Mortgage Loan	—	65,000	14,955	14,880	August 2018
Mortgage/Mezzanine Loan(9)	—	—	16,969	16,960	September 2018
Mezzanine Loan	—	37,500	14,855	14,648	September 2018
Mortgage/Mezzanine Loan(10)	391	—	23,609	20,423	October 2018
Mezzanine Loan	2,325	45,025	34,879	34,502	October 2018
Mezzanine Loan	—	335,000	74,755	74,476	November 2018
Mezzanine Loan(5d)(8)	—	85,000	15,381	15,141	December 2018
Mezzanine Loan(5e)(8)	—	65,000	14,869	14,656	December 2018
Mezzanine Loan	—	33,000	26,927	26,850	December 2018
Mezzanine Loan	—	175,000	59,723	56,114	December 2018
Mezzanine Loan	—	45,000	12,174	12,104	January 2019
Mortgage/Mezzanine Loan (5f)	26,284	—	162,553	—	January 2019
Mezzanine Loan	5,372	25,289	8,550	5,410	January 2019
Mezzanine Loan	—	38,000	21,939	21,891	March 2019
Mezzanine Loan	11	174,947	37,250	—	April 2019
Mezzanine Loan	—	265,000	24,830	24,707	April 2019
Mortgage/Jr. Mortgage Participation Loan	27,617	199,733	71,832	65,554	August 2019

Loan Type	December 31, 2017 Future Funding Obligations	December 31, 2017 Senior Financing	December 31, 2017 Carrying Value [(1)]	December 31, 2016 Carrying Value [(1)]	Maturity Date [(2)]
Mezzanine Loan	2,034	189,829	37,851	37,322	September 2019
Mortgage/Mezzanine Loan	36,391	—	143,919	111,819	September 2019
Mezzanine Loan	—	350,000	34,737	—	October 2019
Mortgage/Mezzanine Loan	25,643	—	43,845	33,682	January 2020
Mezzanine Loan[(11)]	3,621	555,379	75,834	125,911	January 2020
Mezzanine Loan	6,913	34,337	11,259	—	July 2020
Mezzanine Loan[(12)]	51,494	310,654	75,428	63,137	November 2020
Mortgage and Mezzanine Loan	42,510	—	88,989	—	December 2020
Mortgage and Mezzanine Loan	—	—	35,152	—	December 2020
Jr. Mortgage Participation/Mezzanine Loan	—	60,000	15,635	15,606	July 2021
Mezzanine Loan	—	280,000	34,600	—	August 2022
Mortgage/Mezzanine Loan[(13)]	—	—	—	29,998	
Mezzanine Loan[(14)]	—	—	—	64,505	
Mezzanine Loan[(15)]	—	—	—	15,369	
Mortgage/Mezzanine Loan[(6)]	—	—	—	32,847	
Mortgage/Mezzanine Loan[(6)]	—	—	—	22,959	
Mezzanine Loan[(16)]	—	—	—	14,957	
Mortgage/Mezzanine Loan[(17)]	—	—	—	145,239	
Total floating rate	$ 231,924	$ 3,523,762	$ 1,334,250	$ 1,232,178	
Total	$ 231,924	$ 7,140,238	$ 1,969,618	$ 1,592,537	

(1) Carrying value is net of discounts, premiums, original issue discounts and deferred origination fees.
(2) Represents contractual maturity, excluding any unexercised extension options.
(3) These loans were purchased at par in April and May 2017 and were in maturity default at the time of acquisition. At the time the loans were purchased, the Company expected to collect all contractually required payments, including interest. In August 2017, the Company determined that it was probable that the loans would not be repaid in full and therefore, the loans were put on non-accrual status. No impairment was recorded as the Company believes that the fair value of the property exceeds the carrying amount of the loans. The loans had an outstanding balance, including accrued interest, of $259.3 million at the time that they were put on non-accrual status.
(4) In September 2014, we acquired a $26.4 million mortgage loan at a $0.2 million discount and a $5.7 million junior mortgage participation at a $5.7 million discount. The junior mortgage participation was a nonperforming loan at acquisition, is currently on non-accrual status and has no carrying value.
(5) Carrying value is net of the following amounts that were sold or syndicated, which are included in other assets and other liabilities on the consolidated balance sheets as a result of the transfers not meeting the conditions for sale accounting: (a) $1.2 million, (b) $12.0 million, (c) $5.1 million (d) $14.6 million, (e) $14.1 million, and (f) $21.2 million.
(6) This loan was repaid in June 2017.
(7) This loan was repaid in March 2017.
(8) This loan was extended in December 2017.
(9) This loan was extended in August 2017.
(10) This loan was extended in September 2017.
(11) $66.1 million of outstanding principal was syndicated in February 2017.
(12) This loan was extended in November 2017.
(13) This loan was repaid in December 2017.
(14) This loan was repaid in November 2017.
(15) This loan was repaid in September 2017.
(16) This loan was contributed to a joint venture in May 2017.
(17) This loan was repaid in January 2017.

Preferred Equity Investments

As of December 31, 2017 and 2016, we held the following preferred equity investments with an aggregate weighted average current yield of 6.99% at December 31, 2017 (in thousands):

Type	December 31, 2017 Future Funding Obligations	December 31, 2017 Senior Financing	December 31, 2017 Carrying Value [(1)]	December 31, 2016 Carrying Value [(1)]	Mandatory Redemption [(2)]
Preferred Equity[(3)]	$ —	$ 272,000	$ 144,423	$ —	April 2021
Preferred Equity[(4)]	—	—	—	9,982	
Preferred Equity[(5)]	—	—	—	37,893	
	$ —	$ 272,000	$ 144,423	$ 47,875	

(1) Carrying value is net of deferred origination fees.
(2) Represents contractual maturity, excluding any unexercised extension options.
(3) In February 2016, we closed on the sale of 885 Third Avenue and retained a preferred equity position in the property. The sale did not meet the criteria for sale accounting under the full accrual method in ASC 360-20, Property, Plant and Equipment - Real Estate Sales. As a result the property remained on our consolidated balance sheet until the criteria was met in April 2017 at which time the property was deconsolidated and the preferred equity investment was recognized.
(4) This investment was redeemed in May 2017.
(5) This investment was redeemed in April 2017.

The following table is a rollforward of our total loan loss reserves at December 31, 2017, 2016 and 2015 (in thousands):

	December 31,		
	2017	2016	2015
Balance at beginning of year	$ —	$ —	$ —
Expensed	—	—	—
Recoveries	—	—	—
Charge-offs and reclassifications	—	—	—
Balance at end of period	$ —	$ —	$ —

At December 31, 2017, 2016 and 2015, all debt and preferred equity investments were performing in accordance with the terms of the relevant investments, with the exception of a mortgage and junior mortgage participation purchased in maturity default in May 2017 and April 2017, respectively, as discussed in subnote 3 of the Debt Investments table above and a junior mortgage participation acquired in September 2014, which was acquired for zero and has a carrying value of zero, as discussed in subnote 4 of the Debt Investments table above.

We have determined that we have one portfolio segment of financing receivables at December 31, 2017 and 2016 comprising commercial real estate which is primarily recorded in debt and preferred equity investments. Included in other assets is an additional amount of financing receivables totaling $65.5 million and $99.5 million at December 31, 2017 and 2016, respectively. No financing receivables were 90 days past due at December 31, 2017, with the exception of a mortgage and junior mortgage participation purchased in maturity default in May 2017 and April 2017, respectively, as discussed in subnote 3 of the Debt Investments table above.

6. Investments in Unconsolidated Joint Ventures

We have investments in several real estate joint ventures with various partners. As of December 31, 2017, 800 Third Avenue, 21 East 66th Street, 605 West 42nd Street, 333 East 22nd Street, One Vanderbilt and certain properties within the Stonehenge Portfolio are VIEs in which we are not the primary beneficiary. Our net equity investment in these VIEs was $606.2 million as of December 31, 2017. As of December 31, 2016, 650 Fifth Avenue, 800 Third Avenue, 21 East 66th Street, 605 West 42nd Street, 333 East 22nd Street, and certain properties within the Stonehenge Portfolio were VIEs in which we were not the primary beneficiary. Our net equity investment in these VIEs was $220.1 million as of December 31, 2016. Our maximum loss is limited to the amount of our equity investment in these VIEs. See the "Principles of Consolidation" section of Note 2, "Significant Accounting Policies". All other investments below are voting interest entities. As we do not control the joint ventures listed below, we account for them under the equity method of accounting.

The table below provides general information on each of our joint ventures as of December 31, 2017:

Property	Partner	Ownership Interest (1)	Economic Interest (1)	Unaudited Approximate Square Feet	Acquisition Date (2)	Acquisition Price(2) (in thousands)
100 Park Avenue	Prudential Real Estate Investors	49.90%	49.90%	834,000	February 2000	$ 95,800
717 Fifth Avenue	Jeff Sutton/Private Investor	10.92%	10.92%	119,500	September 2006	251,900
800 Third Avenue	Private Investors	60.52%	60.52%	526,000	December 2006	285,000
1745 Broadway	Ivanhoe Cambridge, Inc.	56.87%	56.87%	674,000	April 2007	520,000
Jericho Plaza(3)	Onyx Equities/Credit Suisse	11.67%	11.67%	640,000	April 2007	210,000
11 West 34th Street	Private Investor/ Jeff Sutton	30.00%	30.00%	17,150	December 2010	10,800
3 Columbus Circle(4)	The Moinian Group	48.90%	48.90%	741,500	January 2011	500,000
280 Park Avenue	Vornado Realty Trust	50.00%	50.00%	1,219,158	March 2011	400,000
1552-1560 Broadway(5)	Jeff Sutton	50.00%	50.00%	57,718	August 2011	136,550
724 Fifth Avenue	Jeff Sutton	50.00%	50.00%	65,010	January 2012	223,000
10 East 53rd Street	Canadian Pension Plan Investment Board	55.00%	55.00%	354,300	February 2012	252,500
521 Fifth Avenue	Plaza Global Real Estate Partners LP	50.50%	50.50%	460,000	November 2012	315,000
21 East 66th Street(6)	Private Investors	32.28%	32.28%	13,069	December 2012	75,000
650 Fifth Avenue(7)	Jeff Sutton	50.00%	50.00%	69,214	November 2013	—
121 Greene Street	Jeff Sutton	50.00%	50.00%	7,131	September 2014	27,400
175-225 Third Street Brooklyn, New York	KCLW 3rd Street LLC/LIVWRK LLC	95.00%	95.00%	—	October 2014	74,600
55 West 46th Street	Prudential Real Estate Investors	25.00%	25.00%	347,000	November 2014	295,000
Stonehenge Portfolio(8)	Various	Various	Various	1,439,016	February 2015	36,668
131-137 Spring Street	Invesco Real Estate	20.00%	20.00%	68,342	August 2015	277,750
605 West 42nd Street	The Moinian Group	20.00%	20.00%	927,358	April 2016	759,000
11 Madison Avenue	PGIM Real Estate	60.00%	60.00%	2,314,000	August 2016	2,605,000
333 East 22nd Street(9)	Private Investors	33.33%	33.33%	26,926	August 2016	—
400 E 57th Street(10)	BlackRock, Inc and Stonehenge Partners	51.00%	41.00%	290,482	October 2016	170,000
One Vanderbilt(11)	National Pension Service of Korea/Hines Interest LP	71.01%	71.01%	—	January 2017	3,310,000
Mezzanine Loan(12)	Private Investors	33.33%	33.33%	—	May 2017	15,000
Worldwide Plaza(13)	RXR Realty / New York REIT / Private Investor	24.35%	24.35%	2,048,725	October 2017	1,725,000
1515 Broadway(14)	Allianz Real Estate of America	69.87%	69.87%	1,750,000	November 2017	1,950,000

(1) Ownership interest and economic interest represent the Company's interests in the joint venture as of December 31, 2017. Changes in ownership or economic interests within the current year are disclosed in the notes below.
(2) Acquisition date and price represent the date on which the Company initially acquired an interest in the joint venture and the actual or implied gross purchase price for the joint venture on that date. Acquisition date and price are not adjusted for subsequent acquisitions or dispositions of interest.
(3) During the fourth quarter of 2017, the Company recorded a $6.6 million charge in connection with this investment. This charge is included in depreciable real estate reserves in the consolidated statement of operations.
(4) As a result of the sale of a condominium interest in September 2012, Young & Rubicam, Inc., or Y&R, owns floors three through eight at the property. Because the joint venture has an option to repurchase these floors, the gain associated with this sale was deferred.
(5) The purchase price represents only the purchase of the 1552 Broadway interest which comprised approximately 13,045 square feet. The joint venture also owns a long-term leasehold interest in the retail space and certain other spaces at 1560 Broadway, which is adjacent to 1552 Broadway.
(6) We hold a 32.28% interest in three retail and two residential units at the property and a 16.14% interest in three residential units at the property.
(7) The joint venture owns a long-term leasehold interest in the retail space at 650 Fifth Avenue. In connection with the ground lease obligation, SLG provided a performance guaranty and our joint venture partner executed a contribution agreement to reflect its pro rata obligation. In the event the property is converted into a condominium unit and the landlord elects the purchase option, the joint venture shall be obligated to acquire the unit at the then fair value.

(8) In March 2017, the Company sold a partial interest in the Stonehenge Portfolio as further described under Sale of Joint Venture Interest of Properties below. In February 2018, the Company, together with its joint venture partner, closed on the sale of one property from the Stonehenge Portfolio.
(9) The joint venture acquired a leasehold interest in the property in October 2016.
(10) In October 2016, the Company sold a 49% interest in this property to an investment account managed BlackRock, Inc. The Company's interest in the property was sold within a consolidated joint venture owned 90% by the Company and 10% by Stonehenge. The transaction resulted in the deconsolidation of the venture's remaining 51% interest in the property. The Company's joint venture with Stonehenge remains consolidated resulting in the combined 51% interest being shown within investments in unconsolidated joint ventures on the Company's balance sheet.
(11) In January 2017, the Company admitted two partners, National Pension Service of Korea and Hines Interest LP, into the One Vanderbilt development project. In April 2017, the criteria for deconsolidation were met, and the development is shown within investments in unconsolidated joint ventures. The partners have committed aggregate equity to the project totaling no less than $525 million and their ownership interest in the joint venture is based on their capital contributions, up to an aggregate maximum of 29.0%. At December 31, 2017 the total of the two partners' ownership interests based on equity contributed was 3.48%.
(12) In May 2017, the Company contributed a mezzanine loan secured by a commercial property in midtown Manhattan to a joint venture and retained a 33.33% interest in the venture. The carrying value is net of $10.0 million that was sold, which is included in other assets and other liabilities on the consolidated balance sheets as a result of the transfers not meeting the conditions for sale accounting. The loan matures in November 2018.
(13) In September 2017, the Company and RXR Realty formed a joint venture in which each partner owns a 50% interest. In October 2017, this joint venture purchased a 48.7% interest in the property known as Worldwide Plaza from New York REIT. New York REIT owns the remaining 51.3% with its existing partner.
(14) In November 2017, the Company sold a 30.13% interest in 1515 Broadway to affiliates of Allianz Real Estate. The sale did not meet the criteria for sale accounting and as a result the property was accounted for under the profit sharing method at December 31, 2017. Under the profit sharing method the Company recognized its share of the operations of the property and also recognized the other partner's share of depreciation. Included in equity in net income from unconsolidated joint ventures is $0.9 million of depreciation for the year ended December 31, 2017 representing the other partner's share of depreciation. The Company achieved sale accounting upon adoption of ASC 610-20 in January 2018 and closed on the sale of an additional 12.87% interest in the property to Allianz in February 2018.

Acquisition, Development and Construction Arrangements

Based on the characteristics of the following arrangements, which are similar to those of an investment, combined with the expected residual profit of not greater than 50%, we have accounted for these debt and preferred equity investments under the equity method. As of December 31, 2017 and 2016, the carrying value for acquisition, development and construction arrangements were as follows (in thousands):

Loan Type	December 31, 2017	December 31, 2016	Maturity Date
Mezzanine Loan and Preferred Equity	$ **100,000**	$ 100,000	March 2018
Mezzanine Loan[1]	**44,823**	45,622	February 2022
Mezzanine Loan[2]	**26,716**	24,542	July 2036
	$ **171,539**	$ 170,164	

(1) We have an option to convert our loan to an equity interest subject to certain conditions. We have determined that our option to convert the loan to equity is not a derivative financial instrument pursuant to GAAP.
(2) The Company has the ability to convert this loan into an equity position starting in 2021 and the borrower is able to force this conversion in 2024.

Sale of Joint Venture Interests or Properties

The following table summarizes the investments in unconsolidated joint ventures sold during the years ended December 31, 2017, 2016, and 2015:

Property	Ownership Interest	Disposition Date	Type of Sale	Gross Asset Valuation (in thousands)[1]	Gain (Loss) on Sale (in thousands)[2]
102 Greene Street	10.00%	September 2017	Ownership Interest	$ 43,500	$ 283
Stonehenge Portfolio (partial)	Various	March 2017	Ownership Interest	300,000	871
EOP Denver	0.48%	September 2016	Ownership Interest	180,700	300
33 Beekman [3]	45.90%	May 2016	Property	196,000	33,000
EOP Denver	4.79%	March 2016	Ownership Interest	180,700	2,800
7 Renaissance Square	50.00%	March 2016	Property	20,700	4,200
1 Jericho Plaza [4]	66.11%	February 2016	Ownership Interest	95,200	3,300
The Meadows	50.00%	August 2015	Property	121,100	(1,600)
315 West 36th Street	35.50%	September 2015	Ownership Interest	115,000	16,300

(1) Represents implied gross valuation for the joint venture or sales price of the property.
(2) Represents the Company's share of the gain or loss. The gain on sale is net of $0, $1.1 million, and $1.2 million of employee compensation accrued in connection with the realization of these investment gains in the years ended December 31, 2017, 2016, and 2015, respectively. Additionally, amounts do not include adjustments for expenses recorded in subsequent periods.
(3) In connection with the sale of the property, we also recognized a promote of $10.8 million.
(4) Our ownership percentage was reduced in the first quarter of 2016, from 77.78% to 11.67%, upon completion of a restructuring of the joint venture.

In May 2017, our investment in a joint venture that owned two mezzanine notes secured by interests in the entity that owns 76 11th Avenue was repaid after the joint venture received repayment of the underlying loans.

In May 2017, we recognized a gain of $13.0 million related to the sale in May 2014 of our ownership interest in 747 Madison Avenue. The sale did not meet the criteria for sale accounting at that time and, therefore, remained on our consolidated financial statements. The sale criteria was met in May of 2017 resulting in recognition of the deferred gain on the sale.

Joint Venture Mortgages and Other Loans Payable

We generally finance our joint ventures with non-recourse debt. In certain cases we have provided guarantees or master leases for tenant space, which terminate upon the satisfaction of specified circumstances or repayment of the underlying loans. The first mortgage notes and other loans payable collateralized by the respective joint venture properties and assignment of leases at December 31, 2017 and 2016, respectively, are as follows (amounts in thousands):

Property	Economic Interest [1]	Maturity Date	Interest Rate [2]		December 31, 2017	December 31, 2016
Fixed Rate Debt:						
521 Fifth Avenue	50.50%	November 2019		3.73%	**$ 170,000**	$ 170,000
717 Fifth Avenue [3]	10.92%	July 2022		4.45%	**300,000**	300,000
717 Fifth Avenue [3]	10.92%	July 2022		5.50%	**355,328**	355,328
650 Fifth Avenue [4]	50.00%	October 2022		4.46%	**210,000**	—
650 Fifth Avenue [4]	50.00%	October 2022		5.45%	**65,000**	—
21 East 66th Street	32.28%	April 2023		3.60%	**12,000**	12,000
3 Columbus Circle	48.90%	March 2025		3.61%	**350,000**	350,000
1515 Broadway	69.87%	March 2025		3.93%	**872,528**	—
11 Madison Avenue	60.00%	September 2025		3.84%	**1,400,000**	1,400,000
800 Third Avenue	60.52%	February 2026		3.37%	**177,000**	177,000
400 East 57th Street	41.00%	November 2026		3.00%	**100,000**	100,000
Worldwide Plaza	24.35%	November 2027		3.98%	**1,200,000**	—
Stonehenge Portfolio [5]	Various	Various		4.17%	**357,282**	362,518
1745 Broadway [6]					**—**	340,000
Total fixed rate debt					**$ 5,569,138**	$ 3,566,846
Floating Rate Debt:						
Jericho Plaza [7]	11.67%	March 2018	L+	4.15%	**$ 81,099**	$ 76,993
724 Fifth Avenue	50.00%	April 2018	L+	2.42%	**275,000**	275,000
175-225 Third Street Brooklyn, New York	95.00%	June 2018	Prime+	1.00%	**40,000**	40,000
280 Park Avenue	50.00%	September 2019	L+	1.73%	**1,200,000**	900,000
121 Greene Street	50.00%	November 2019	L+	1.50%	**15,000**	15,000
1745 Broadway [8]	56.87%	January 2020	L+	1.85%	**345,000**	—
10 East 53rd Street	55.00%	February 2020	L+	2.25%	**170,000**	125,000
131-137 Spring Street	20.00%	August 2020	L+	1.55%	**141,000**	141,000
1552 Broadway	50.00%	October 2020	L+	2.65%	**195,000**	185,410
55 West 46th Street [9]	25.00%	November 2020	L+	2.13%	**171,444**	157,322
11 West 34th Street	30.00%	January 2021	L+	1.45%	**23,000**	23,000
100 Park Avenue	49.90%	February 2021	L+	1.75%	**360,000**	360,000
One Vanderbilt [10]	71.01%	September 2021	L+	3.50%	**355,535**	—

Property	Economic Interest (1)	Maturity Date	Interest Rate (2)		December 31, 2017	December 31, 2016
605 West 42nd Street	20.00%	August 2027	L+	1.44%	**550,000**	539,000
21 East 66th Street	32.28%	June 2033	1 Year Treasury+	2.75%	**1,648**	1,726
Stonehenge Portfolio	Various	April 2018	L+	1.25%	**55,340**	65,577
650 Fifth Avenue (11)					**—**	77,500
Total floating rate debt					**$ 3,979,066**	$ 2,982,528
Total joint venture mortgages and other loans payable					**$ 9,548,204**	$ 6,549,374
Deferred financing costs, net					**(136,103)**	(95,408)
Total joint venture mortgages and other loans payable, net					**$ 9,412,101**	$ 6,453,966

(1) Economic interest represents the Company's interests in the joint venture as of December 31, 2017. Changes in ownership or economic interests, if any, within the current year are disclosed in the notes to the investment in unconsolidated joint ventures note above.
(2) Interest rate as of December 31, 2017, taking into account interest rate hedges in effect during the period. Floating rate debt is presented with the stated interest rate spread over 30-day LIBOR, unless otherwise specified.
(3) These loans are comprised of a $300.0 million fixed rate mortgage loan and $355.3 million mezzanine loan. The mezzanine loan is subject to accretion based on the difference between contractual interest rate and contractual pay rate.
(4) In November 2017, we closed on a $65.0 million mezzanine loan with a fixed interest rate of 545 basis points and a maturity date of October 2022. As a result, the $225.0 million mortgage loan was reduced to $210.0 million with a fixed interest rate of 446 basis points. These loans are now comprised of a $210.0 million fixed rate mortgage loan and $65.0 million fixed rate mezzanine loan.
(5) Amount is comprised of $33.8 million, $137.1 million, $171.6 million, and $14.8 million in fixed-rate mortgages that mature in January 2018, August 2019, June 2024, and February 2027, respectively. In January 2018, the fixed-rate mortgage set to mature in January 2018 was refinanced with a $38.0 million mortgage loan with a floating interest rate of 140 basis points over 30-day LIBOR and a maturity date of January 2021.
(6) In January 2017, this loan was refinanced with a floating rate loan as shown above.
(7) The property secures a two year $100.0 million loan, of which $81.1 million is currently outstanding.
(8) This loan has a committed amount of $375.0 million, of which $30.0 million was unfunded as of December 31, 2017.
(9) This loan has a committed amount of $195.0 million, of which $23.6 million was unfunded as of December 31, 2017.
(10) This loan is a $1.5 billion construction facility in connection with the development of One Vanderbilt. This facility bears interest at 350 basis points over 30-day LIBOR, with reductions based on meeting certain conditions, and has an initial five-year term with two one-year extension options. Advances under the loan are subject to incurred costs, funded equity, loan to value thresholds, and entering into construction contracts.
(11) In September 2017, this loan was refinanced with a fixed rate loan as shown above.

We act as the operating partner and day-to-day manager for all our joint ventures, except for Worldwide Plaza, 800 Third Avenue, Jericho Plaza, 280 Park Avenue, 3 Columbus Circle, 21 East 66th Street, 175-225 Third Street, 605 West 42nd Street, 400 East 57th Street, and the Stonehenge Portfolio. We are entitled to receive fees for providing management, leasing, construction supervision and asset management services to certain of our joint ventures. We earned $22.6 million, $4.0 million and $3.4 million from these services, net of our ownership share of the joint ventures, for the years ended December 31, 2017, 2016, and 2015, respectively. In addition, we have the ability to earn incentive fees based on the ultimate financial performance of certain of the joint venture properties.

The combined balance sheets for the unconsolidated joint ventures, at December 31, 2017 and 2016, are as follows (in thousands):

SL Green Realty Corp. and SL Green Operating Partnership, L.P.
Notes to Consolidated Financial Statements (cont.)
December 31, 2017

	December 31, 2017	December 31, 2016
Assets		
Commercial real estate property, net	**$ 12,822,133**	$ 9,131,717
Cash and restricted cash	**494,909**	328,455
Tenant and other receivables, related party receivables, and deferred rents receivable, net of allowance	**349,944**	232,778
Debt and preferred equity investments, net	**202,539**	336,164
Other assets	**1,407,806**	683,481
Total assets	**$ 15,277,331**	$ 10,712,595
Liabilities and members' equity		
Mortgages and other loans payable, net	**$ 9,412,101**	$ 6,453,966
Deferred revenue/gain	**985,648**	356,414
Other liabilities	**411,053**	391,500
Members' equity	**4,468,529**	3,510,715
Total liabilities and members' equity	**$ 15,277,331**	$ 10,712,595
Company's investments in unconsolidated joint ventures	**$ 2,362,989**	$ 1,890,186

The combined statements of operations for the unconsolidated joint ventures, from acquisition date through the years ended December 31, 2017, 2016, and 2015 are as follows (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Total revenues	**$ 904,230**	$ 712,689	$ 576,845
Operating expenses	**157,610**	126,913	106,613
Ground rent	**16,794**	14,924	14,083
Real estate taxes	**142,774**	111,673	89,734
Interest expense, net of interest income	**250,063**	197,741	199,126
Amortization of deferred financing costs	**23,026**	24,829	13,394
Transaction related costs	**146**	5,566	615
Depreciation and amortization	**279,419**	199,011	149,023
Total expenses	**$ 869,832**	$ 680,657	$ 572,588
Loss on early extinguishment of debt	**(7,899)**	(1,606)	(1,089)
Net income before gain on sale	**$ 26,499**	$ 30,426	$ 3,168
Company's equity in net income from unconsolidated joint ventures	**$ 21,892**	$ 11,874	$ 13,028

7. Deferred Costs

Deferred costs at December 31, 2017 and 2016 consisted of the following (in thousands):

	December 31,	
	2017	2016
Deferred leasing costs	**$ 443,341**	$ 468,971
Less: accumulated amortization	**(217,140)**	(201,371)
Deferred costs, net	**$ 226,201**	$ 267,600

8. Mortgages and Other Loans Payable

The first mortgages and other loans payable collateralized by the respective properties and assignment of leases or debt investments at December 31, 2017 and 2016, respectively, were as follows (amounts in thousands):

Property	Maturity Date	Interest Rate [1]	December 31, 2017	December 31, 2016
Fixed Rate Debt:				
Unsecured Loan	June 2018	4.81%	**$ 16,000**	$ 16,000
One Madison Avenue	May 2020	5.91%	**486,153**	517,806
762 Madison Avenue	February 2022	5.00%	**771**	7,694
100 Church Street	July 2022	4.68%	**217,273**	221,446
919 Third Avenue [2]	June 2023	5.12%	**500,000**	500,000
420 Lexington Avenue	October 2024	3.99%	**300,000**	300,000
400 East 58th Street [3]	November 2026	3.00%	**40,000**	40,000
Landmark Square	January 2027	4.90%	**100,000**	100,000
485 Lexington Avenue	February 2027	4.25%	**450,000**	450,000
1080 Amsterdam [4]	February 2027	3.58%	**36,363**	—
315 West 33rd Street	February 2027	4.17%	**250,000**	—
Series J Preferred Units [5]	April 2051	3.75%	**4,000**	4,000
1515 Broadway [6]			**—**	888,531
885 Third Avenue [7]			**—**	267,650
FHLBNY Facility [8]			**—**	105,000
FHLBNY Facility [8]			**—**	100,000
Total fixed rate debt			**$ 2,400,560**	$ 3,518,127
Floating Rate Debt:				
719 Seventh Avenue [9]	February 2018	L+ 3.05%	**$ 41,622**	$ 37,388
183, 187 Broadway & 5-7 Dey Street	May 2018	L+ 2.70%	**58,000**	58,000
2017 Master Repurchase Agreement	June 2018	L+ 2.38%	**90,809**	—
220 East 42nd Street	October 2020	L+ 1.60%	**275,000**	275,000
2016 Master Repurchase Agreement [10]			**—**	184,642
One Vanderbilt Avenue [11]			**—**	64,030
1080 Amsterdam [12]			**—**	3,525
Total floating rate debt			**$ 465,431**	$ 622,585
Total fixed rate and floating rate debt			**$ 2,865,991**	$ 4,140,712
Mortgages reclassed to liabilities related to assets held for sale			**—**	—
Total mortgages and other loans payable			**$ 2,865,991**	$ 4,140,712
Deferred financing costs, net of amortization			**(28,709)**	(66,882)
Total mortgages and other loans payable, net			**$ 2,837,282**	$ 4,073,830

(1) Interest rate as of December 31, 2017, taking into account interest rate hedges in effect during the period. Floating rate debt is presented with the stated interest rate spread over 30-day LIBOR, unless otherwise specified.

(2) We own a 51.0% controlling interest in the consolidated joint venture that is the borrower on this loan. In January 2018, the partnership agreement for our investment in the property at 919 Third Avenue was modified resulting in our partner now having substantive participating rights in the venture. As a result the investment will no longer be deemed a VIE and our investment in the property will be deconsolidated as of January 1, 2018.

(3) The loan carries a fixed interest rate of 300 basis points for the first five years and is prepayable without penalty at the end of year five.

(4) The loan is comprised of a $35.5 million mortgage loan and $0.9 million subordinate loan with a fixed interest rate of 350 basis points and 700 basis points, respectively, for the first five years and is prepayable without penalty at the end of year five.

(5) In connection with the acquisition of a commercial real estate property, the Operating Partnership issued $4.0 million, 3.75% Series J Preferred Units of limited partnership interest, or the Series J Preferred Units, with a mandatory liquidation preference of $1,000 per unit. The Series J Preferred Units are accounted for as debt because they can be redeemed in cash by the Operating Partnership on the earlier of (i) the date of the sale of the property or (ii) April 30, 2051 or at the option of the unitholders as provided for in the related agreement.

(6) In November 2017, the Company sold a 30.13% interest in 1515 Broadway to affiliates of Allianz Real Estate. The sale did not meet the criteria for sale accounting and as a result the property was accounted for under the profit sharing method. This property is presented as an unconsolidated joint venture as of December 31, 2017. The Company achieved sale accounting upon adoption of ASC 610-20 in January 2018 and closed on the sale of an additional 12.87% interest in the property to Allianz in February 2018.
(7) In February 2016, we closed on the sale of 885 Third Avenue. The sale did not meet the criteria for sale accounting at that time. In April 2017, the mortgage was refinanced by the buyer, resulting in the Company deconsolidating the property from its financial statements in the second quarter of 2017.
(8) The facility was repaid in January 2017.
(9) In January 2018, we exercised an one year extension option to extend the maturity date to February 2019.
(10) The master repurchase agreement was repaid in October 2017.
(11) In September 2016, we closed on a $1.5 billion construction facility in connection with the development of One Vanderbilt Avenue. In January 2017, we admitted two partners, National Pension Service of Korea and Hines Interest LP, into the One Vanderbilt Avenue development project. In April 2017, the criteria for deconsolidation were met, and the development is shown within investments in unconsolidated joint ventures. See Note 6, "Investments in Unconsolidated Joint Ventures".
(12) In January 2017, this loan was refinanced with a fixed rate loan as shown above.

At December 31, 2017 and 2016, the gross book value of the properties and debt and preferred equity investments collateralizing the mortgages and other loans payable, not including assets held for sale, was approximately $4.8 billion and $6.0 billion, respectively.

Federal Home Loan Bank of New York Facility

The Company’s wholly-owned subsidiary, Belmont Insurance Company, or Belmont, a New York licensed captive insurance company, was a member of the Federal Home Loan Bank of New York, or FHLBNY. In January 2017, all funds borrowed from the FHLBNY were repaid and Belmont's membership was terminated in February 2017.

Master Repurchase Agreements

The Company has entered into two Master Repurchase Agreements, or MRAs, known as the 2016 MRA and 2017 MRA, which provide us with the ability to sell certain debt investments with a simultaneous agreement to repurchase the same at a certain date or on demand. We seek to mitigate risks associated with our repurchase agreement by managing the credit quality of our assets, early repayments, interest rate volatility, liquidity, and market value. The margin call provisions under our repurchase facilities permit valuation adjustments based on capital markets activity, and are not limited to collateral-specific credit marks. To monitor credit risk associated with our debt investments, our asset management team regularly reviews our investment portfolio and is in contact with our borrowers in order to monitor the collateral and enforce our rights as necessary. The risk associated with potential margin calls is further mitigated by our ability to recollateralize the facility with additional assets from our portfolio of debt investments, our ability to satisfy margin calls with cash or cash equivalents and our access to additional liquidity through the 2017 credit facility, as defined below.

In June 2017, we entered into the 2017 MRA, with a maximum facility capacity of $300.0 million. The facility bears interest on a floating rate basis at a spread to 30-day LIBOR based on the pledged collateral and advance rate and has an initial one year term, with two one year extension options. At December 31, 2017, the facility had a carrying value of $90.1 million, net of deferred financing costs.

In July 2016, we entered into a restated 2016 MRA, with a maximum facility capacity of $300.0 million. The facility bears interest ranging from 225 and 400 basis points over 30-day LIBOR depending on the pledged collateral and has an initial two-year term, with a one year extension option. Since December 6, 2015, we have been required to pay monthly in arrears a 25 basis point fee on the excess of $150.0 million over the average daily balance during the period when the average daily balance is less than $150.0 million. At December 31, 2017, the facility had a carrying value of $(1.2) million, representing deferred financing costs presented within other liabilities.

9. Corporate Indebtedness

2017 Credit Facility

In November 2017, we entered into an amendment to the credit facility, referred to as the 2017 credit facility, that was originally entered into by the Company in November 2012, or the 2012 credit facility. As of December 31, 2017, the 2017 credit facility consisted of a $1.5 billion revolving credit facility, a $1.3 billion term loan (or "Term Loan A"), and a $200.0 million term loan (or "Term Loan B") with maturity dates of March 31, 2022, March 31, 2023, and November 21, 2024, respectively. The revolving credit facility has two six-month as-of-right extension options to March 31, 2023. We also have an option, subject to customary conditions, to increase the capacity of the credit facility to $4.5 billion at any time prior to the maturity dates for the revolving credit facility and term loans without the consent of existing lenders, by obtaining additional commitments from our existing lenders and other financial institutions.

As of December 31, 2017, the 2017 credit facility bore interest at a spread over 30-day LIBOR ranging from (i) 82.5 basis points to 155 basis points for loans under the revolving credit facility, (ii) 90 basis points to 175 basis points for loans under Term Loan A, and (iii) 150 basis points to 245 basis points for loans under Term Loan B, in each case based on the credit rating assigned to the senior unsecured long term indebtedness of the Company.

At December 31, 2017, the applicable spread was 100 basis points for the revolving credit facility, 110 basis points for Term Loan A, and 165 basis points for Term Loan B. We are required to pay quarterly in arrears a 12.5 to 30 basis point facility fee on the total commitments under the revolving credit facility based on the credit rating assigned to the senior unsecured long term indebtedness of the Company. As of December 31, 2017, the facility fee was 20 basis points.

As of December 31, 2017, we had $11.8 million of outstanding letters of credit, $40.0 million drawn under the revolving credit facility and $1.5 billion outstanding under the term loan facilities, with total undrawn capacity of $1.4 billion under the 2017 credit facility. At December 31, 2017 and December 31, 2016, the revolving credit facility had a carrying value of $30.3 million and $(6.3) million, respectively, net of deferred financing costs. The December 31, 2016 carrying value represents deferred financing costs and is presented within other liabilities. At December 31, 2017 and December 31, 2016, the term loan facilities had a carrying value of $1.5 billion and $1.2 billion, respectively, net of deferred financing costs.

The Company and the Operating Partnership are borrowers jointly and severally obligated under the 2017 credit facility. ROP is a guarantor under the 2017 credit facility.

The 2017 credit facility includes certain restrictions and covenants (see Restrictive Covenants below).

Senior Unsecured Notes

The following table sets forth our senior unsecured notes and other related disclosures as of December 31, 2017 and 2016, respectively, by scheduled maturity date (dollars in thousands):

Issuance	December 31, 2017 Unpaid Principal Balance	December 31, 2017 Accreted Balance	December 31, 2016 Accreted Balance	Coupon Rate [1]	Initial Term (in Years)	Maturity Date
August 5, 2011 [2]	**$ 250,000**	**$ 249,953**	$ 249,880	5.00%	7	August 2018
March 16, 2010 [2]	**250,000**	**250,000**	250,000	7.75%	10	March 2020
October 5, 2017 [3]	**500,000**	**499,489**	—	3.25%	5	October 2022
November 15, 2012 [4]	**300,000**	**305,163**	200,000	4.50%	10	December 2022
December 17, 2015 [2]	**100,000**	**100,000**	100,000	4.27%	10	December 2025
October 12, 2010 [5]	**—**	**—**	334,077			
	$ 1,400,000	**$ 1,404,605**	$ 1,133,957			
Deferred financing costs, net		**(8,666)**	(5,642)			
	$ 1,400,000	**$ 1,395,939**	$ 1,128,315			

(1) Interest on the senior unsecured notes is payable semi-annually with principal and unpaid interest due on the scheduled maturity dates.
(2) Issued by the Company, the Operating Partnership and ROP, as co-obligors.
(3) Issued by the Operating Partnership with the Company and ROP as guarantors.
(4) In October 2017, the Company, the Operating Partnership and ROP, as co-obligors, issued an additional $100.0 million of 4.50% senior unsecured notes due December 2022. The notes were priced at 105.334%.

(5) In accordance with the terms of the indenture, the notes became exchangeable commencing September 14, 2017 and the Operating Partnership elected to settle exchanges in cash. In October 2017, all note holders elected to exchange the notes and the notes were repaid for $350.8 million, excluding accrued interest based on the applicable exchange rate.

Restrictive Covenants

The terms of the 2017 credit facility and certain of our senior unsecured notes include certain restrictions and covenants which may limit, among other things, our ability to pay dividends, make certain types of investments, incur additional indebtedness, incur liens and enter into negative pledge agreements and dispose of assets, and which require compliance with financial ratios relating to the maximum ratio of total indebtedness to total asset value, a minimum ratio of EBITDA to fixed charges, a maximum ratio of secured indebtedness to total asset value and a maximum ratio of unsecured indebtedness to unencumbered asset value. The dividend restriction referred to above provides that, we will not during any time when a default is continuing, make distributions with respect to common stock or other equity interests, except to enable the Company to continue to qualify as a REIT for Federal income tax purposes. As of December 31, 2017 and 2016, we were in compliance with all such covenants.

Junior Subordinated Deferrable Interest Debentures

In June 2005, the Company and the Operating Partnership issued $100.0 million in unsecured trust preferred securities through a newly formed trust, SL Green Capital Trust I, or the Trust, which is a wholly-owned subsidiary of the Operating Partnership. The securities mature in 2035 and bear interest at a floating rate of 125 basis points over the three-month LIBOR. Interest payments may be deferred for a period of up to eight consecutive quarters if the Operating Partnership exercises its right to defer such payments. The Trust preferred securities are redeemable at the option of the Operating Partnership, in whole or in part, with no prepayment premium. We do not consolidate the Trust even though it is a variable interest entity as we are not the primary beneficiary. Because the Trust is not consolidated, we have recorded the debt on our consolidated balance sheets and the related payments are classified as interest expense.

Principal Maturities

Combined aggregate principal maturities of mortgages and other loans payable, 2017 credit facility, trust preferred securities, senior unsecured notes and our share of joint venture debt as of December 31, 2017, including as-of-right extension options and put options, were as follows (in thousands):

	Scheduled Amortization	Principal	Revolving Credit Facility	Unsecured Term Loans	Trust Preferred Securities	Senior Unsecured Notes	Total	Joint Venture Debt
2018	$ 37,971	$ 206,431	$ —	$ —	$ —	$ 250,000	$ 494,402	$ 200,250
2019	42,289	—	—	—	—	—	42,289	717,682
2020	23,487	679,531	—	—	—	250,000	953,018	473,809
2021	11,656	—	—	—	—	—	11,656	449,740
2022	9,448	198,555	—	—	—	800,000	1,008,003	223,330
Thereafter	16,675	1,639,948	40,000	1,500,000	100,000	100,000	3,396,623	2,119,481
	$ 141,526	$ 2,724,465	$ 40,000	$ 1,500,000	$ 100,000	$ 1,400,000	$ 5,905,991	$ 4,184,292

Consolidated interest expense, excluding capitalized interest, was comprised of the following (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Interest expense before capitalized interest	**$ 284,649**	$ 348,062	$ 357,926
Interest capitalized	**(26,020)**	(24,067)	(31,108)
Interest income	**(1,584)**	(2,796)	(2,948)
Interest expense, net	**$ 257,045**	$ 321,199	$ 323,870

10. Related Party Transactions

Cleaning/ Security/ Messenger and Restoration Services

Alliance Building Services, or Alliance, and its affiliates are partially owned by Gary Green, a son of Stephen L. Green, the chairman of our board of directors, and provide services to certain properties owned by us. Alliance's affiliates include First Quality Maintenance, L.P., or First Quality, Classic Security LLC, Bright Star Couriers LLC and Onyx Restoration Works, and provide

cleaning, extermination, security, messenger, and restoration services, respectively. In addition, First Quality has the non-exclusive opportunity to provide cleaning and related services to individual tenants at our properties on a basis separately negotiated with any tenant seeking such additional services. The Service Corporation has entered into an arrangement with Alliance whereby it will receive a profit participation above a certain threshold for services provided by Alliance to certain tenants at certain buildings above the base services specified in their lease agreements.

Income earned from the profit participation, which is included in other income on the consolidated statements of operations, was $3.9 million, $3.5 million and $3.8 million for the years ended December 31, 2017, 2016 and 2015, respectively.

We also recorded expenses, inclusive of capitalized expenses, of $22.6 million, $23.4 million and $21.3 million the years ended December 31, 2017, 2016 and 2015, respectively, for these services (excluding services provided directly to tenants).

Management Fees

S.L. Green Management Corp., a consolidated entity, receives property management fees from an entity in which Stephen L. Green owns an interest. We received management fees from this entity of $0.5 million, $0.7 million and $0.5 million for the years ended December 31, 2017, 2016, and 2015 respectively.

One Vanderbilt Investment

In December 2016, we entered into agreements with entities owned and controlled by Marc Holliday and Andrew Mathias, pursuant to which they agreed to make an investment in our One Vanderbilt project at the appraised fair market value for the interests acquired. This investment entitles these entities to receive approximately 1.50% - 1.80% and 1.00% - 1.20%, respectively, of any profits realized by the Company from its One Vanderbilt project in excess of the Company's capital contributions. The entities have no right to any return of capital. Accordingly, subject to previously disclosed repurchase rights, these interests will have no value and will not entitle these entities to any amounts (other than limited distributions to cover tax liabilities incurred) unless and until the Company has received distributions from the One Vanderbilt project in excess of the Company's aggregate investment in the project. In the event that the Company does not realize a profit on its investment in the project (or would not realize a profit based on the value at the time the interests are repurchased), the entities owned and controlled by Messrs. Holliday and Mathias will lose the entire amount of their investment. The entities owned and controlled by Messrs. Holliday and Mathias paid $1.4 million and $1.0 million, respectively, which equal the fair market value of the interests acquired as of the date the investment agreements were entered into as determined by an independent third party appraisal that we obtained.

Messrs. Holliday and Mathias cannot monetize their interests until after stabilization of the property (50% within three years after stabilization and 100% three years or more after stabilization). In addition, the agreement calls for us to repurchase these interests in the event of a sale of One Vanderbilt or a transactional change of control of the Company. We also have the right to repurchase these interests on the seven-year anniversary of the stabilization of the project or upon the occurrence of certain separation events prior to the stabilization of the project relating to each of Messrs. Holliday's and Mathias's continued service with us. The price paid upon monetization of the interests will equal the liquidation value of the interests at the time, with the value of One Vanderbilt being based on its sale price, if applicable, or fair market value as determined by an independent third party appraiser.

Other

We are entitled to receive fees for providing management, leasing, construction supervision, and asset management services to certain of our joint ventures as further described in Note 6, "Investments in Unconsolidated Joint Ventures". Amounts due from joint ventures and related parties at December 31, 2017 and 2016 consisted of the following (in thousands):

	December 31,	
	2017	**2016**
Due from joint ventures	**$ 15,025**	$ 1,240
Other	**8,014**	14,616
Related party receivables	**$ 23,039**	$ 15,856

11. Noncontrolling Interests on the Company's Consolidated Financial Statements

Noncontrolling interests represent the common and preferred units of limited partnership interest in the Operating Partnership not held by the Company as well as third party equity interests in our other consolidated subsidiaries. Noncontrolling interests in

the Operating Partnership are shown in the mezzanine equity while the noncontrolling interests in our other consolidated subsidiaries are shown in the equity section of the Company's consolidated financial statements.

Common Units of Limited Partnership Interest in the Operating Partnership

As of December 31, 2017 and 2016, the noncontrolling interest unit holders owned 4.58%, or 4,452,979 units, and 4.16%, or 4,363,716 units, of the Operating Partnership, respectively. At December 31, 2017, 4,452,979 shares of our common stock were reserved for issuance upon the redemption of units of limited partnership interest of the Operating Partnership.

Noncontrolling interests in the Operating Partnership is recorded at the greater of its cost basis or fair market value based on the closing stock price of our common stock at the end of the reporting period.

Below is the rollforward analysis of the activity relating to the noncontrolling interests in the Operating Partnership as of December 31, 2017 and 2016 (in thousands):

	December 31,	
	2017	**2016**
Balance at beginning of period	**$ 473,882**	$ 424,206
Distributions	**(14,266)**	(12,671)
Issuance of common units	**25,723**	78,495
Redemption of common units	**(21,574)**	(31,805)
Net income	**3,995**	10,136
Accumulated other comprehensive income allocation	**(94)**	1,299
Fair value adjustment	**(5,712)**	4,222
Balance at end of period	**$ 461,954**	$ 473,882

Preferred Units of Limited Partnership Interest in the Operating Partnership

The Operating Partnership has 1,902,000 4.50% Series G Preferred Units of limited partnership interest, or the Series G Preferred Units outstanding, with a liquidation preference of $25.00 per unit, which were issued in January 2012 in conjunction with an acquisition. The Series G Preferred unitholders receive annual dividends of $1.125 per unit paid on a quarterly basis and dividends are cumulative, subject to certain provisions. The Series G Preferred Units are convertible into a number of common units of limited partnership interest in the Operating Partnership equal to (i) the liquidation preference plus accumulated and unpaid distributions on the conversion date divided by (ii) $88.50. The common units of limited partnership interest in the Operating Partnership may be redeemed in exchange for our common stock on a 1-to-1 basis. The Series G Preferred Units also provide the holder with the right to require the Operating Partnership to repurchase the Series G Preferred Units for cash before January 31, 2022.

The Operating Partnership has 60 Series F Preferred Units outstanding with a mandatory liquidation preference of $1,000.00 per unit.

The Operating Partnership has authorized up to 700,000 3.50% Series K Preferred Units of limited partnership interest, or the Series K Preferred Units, with a liquidation preference of $25.00 per unit. In August 2014, the Company issued 563,954 Series K Preferred Units in conjunction with an acquisition. The Series K Preferred unitholders receive annual dividends of $0.875 per unit paid on a quarterly basis and dividends are cumulative, subject to certain provisions. The Series K Preferred Units can be redeemed at any time, at the option of the unitholder, either for cash or are convertible into a number of common units of limited partnership interest in the Operating Partnership equal to (i) the liquidation preference plus accumulated and unpaid distributions on the conversion date divided by (ii) $134.67.

The Operating Partnership has authorized up to 500,000 4.00% Series L Preferred Units of limited partnership interest, or the Series L Preferred Units, with a liquidation preference of $25.00 per unit. In August 2014, the Company issued 378,634 Series L Preferred Units in conjunction with an acquisition. The Series L Preferred unitholders receive annual dividends of $1.00 per unit paid on a quarterly basis and dividends are cumulative, subject to certain provisions. The Series L Preferred Units can be redeemed at any time at par for cash at the option of the unitholder.

The Operating Partnership has authorized up to 1,600,000 3.75% Series M Preferred Units of limited partnership interest, or the Series M Preferred Units, with a liquidation preference of $25.00 per unit. In February 2015, the Company issued 1,600,000 Series M Preferred Units in conjunction with the acquisition of ownership interests in and relating to certain residential and retail

real estate properties. The Series M Preferred unitholders receive annual dividends of $0.9375 per unit paid on a quarterly basis and dividends are cumulative, subject to certain provisions. The Series M Preferred Units can be redeemed at any time at par for cash at the option of the unitholder.

The Operating Partnership has authorized up to 552,303 3.00% Series N Preferred Units of limited partnership interest, or the Series N Preferred Units, with a liquidation preference of $25.00 per unit. In June 2015, the Company issued 552,303 Series N Preferred Units in conjunction with an acquisition. The Series N Preferred unitholders receive annual dividends of $0.75 per unit paid on a quarterly basis and dividends are cumulative, subject to certain provisions. The Series N Preferred Units can be redeemed at any time at par for cash at the option of the unitholder.

The Operating Partnership has authorized an aggregate of one 6.25% Series O Preferred Unit of limited partnership interest, or the Series O Preferred Unit. In June 2015, the Company issued the Series O Preferred Unit in connection with an acquisition.

The Operating Partnership has authorized up to 200,000 4.00% Series P Preferred Units of limited partnership interest, or the Series P Preferred Units, with a liquidation preference of $25.00 per unit. In July 2015, the Company issued 200,000 Series P Preferred Units in conjunction with an acquisition. The Series P Preferred unitholders receive annual dividends of $1.00 per unit paid on a quarterly basis and dividends are cumulative, subject to certain provisions. The Series P Preferred Units can be redeemed at any time at par for cash at the option of the unitholder.

The Operating Partnership has authorized up to 268,000 3.50% Series Q Preferred Units of limited partnership interest, or the Series Q Preferred Units, with a liquidation preference of $25.00 per unit. In July 2015, the Company issued 268,000 Series Q Preferred Units in conjunction with an acquisition. The Series Q Preferred unitholders receive annual dividends of $0.875 per unit paid on a quarterly basis and dividends are cumulative, subject to certain provisions. The Series Q Preferred Units can be redeemed at any time, at the option of the unitholder, either for cash or are convertible into a number of common units of limited partnership interest in the Operating Partnership equal to (i) the liquidation preference plus accumulated and unpaid distributions on the conversion date divided by (ii) $148.95.

The Operating Partnership has authorized up to 400,000 3.50% Series R Preferred Units of limited partnership interest, or the Series R Preferred Units, with a liquidation preference of $25.00 per unit. In August 2015, the Company issued 400,000 Series R Preferred Units in conjunction with an acquisition. The Series R Preferred unitholders receive annual dividends of $0.875 per unit paid on a quarterly basis and dividends are cumulative, subject to certain provisions. The Series R Preferred Units can be redeemed at any time, at the option of the unitholder, either for cash or are convertible into a number of common units of limited partnership interest in the Operating Partnership equal to (i) the liquidation preference plus accumulated and unpaid distributions on the conversion date divided by (ii) $154.89.

The Operating Partnership has authorized up to 1,077,280 4.00% Series S Preferred Units of limited partnership interest, or the Series S Preferred Units, with a liquidation preference of $25.00 per unit. In August 2015, the Company issued 1,077,280 Series S Preferred Units in conjunction with an acquisition. The Series S Preferred unitholders receive annual dividends of $1.00 per unit paid on a quarterly basis and dividends are cumulative, subject to certain provisions. The Series S Preferred Units can be redeemed at any time at par for cash at the option of the unitholder.

The Operating Partnership has authorized up to 230,000 2.75% Series T Preferred Units of limited partnership interest, or the Series T Preferred Units, with a liquidation preference of $25.00 per unit. In March 2016, the Company issued 230,000 Series T Preferred Units in conjunction with an acquisition. The Series T Preferred unitholders receive annual dividends of $0.6875 per unit paid on a quarterly basis and dividends are cumulative, subject to certain provisions. The Series T Preferred Units can be redeemed at any time at par, at the option of the unitholder, either for cash or are convertible into a number of common units of limited partnership interest in the Operating Partnership equal to (i) the liquidation preference plus accumulated and unpaid distributions on the conversion date divided by (ii) $119.02.

The Operating Partnership has authorized up to 680,000 4.50% Series U Preferred Units of limited partnership interest, or the Series U Preferred Units, with a liquidation preference of $25.00 per unit. In March 2016, the Company issued 680,000 Series U Preferred Units in conjunction with an acquisition. The Series U Preferred unitholders initially receive annual dividends of $1.125 per unit paid on a quarterly basis and dividends are cumulative, subject to certain provisions. The annual dividend is subject to reduction upon the occurrence of certain circumstances set forth in the terms of the Series U Preferred Units. The minimum annual dividend is $0.75 per unit. The Series U Preferred Units can be redeemed at any time at par for cash at the option of the unitholder.

Through a consolidated subsidiary, we have authorized up to 109,161 3.50% Series A Preferred Units of limited partnership interest, or the Subsidiary Series A Preferred Units, with a liquidation preference of $1,000.00 per unit. In August 2015, the Company issued 109,161 Subsidiary Series A Preferred Units in conjunction with an acquisition. The Subsidiary Series A Preferred

unitholders receive annual dividends of $35.00 per unit paid on a quarterly basis and dividends are cumulative, subject to certain provisions. The Subsidiary Series A Preferred Units can be redeemed at any time, at the option of the unitholder, either for cash or are convertible on a one-for-one basis, into the Series B Preferred Units of limited partnership interest, or the Subsidiary Series B Preferred Units. The Subsidiary Series B Preferred Units can be converted at any time, at the option of the unitholder, into a number of common stock equal to 6.71348 shares of common stock for each Subsidiary Series B Preferred Unit. As of December 31, 2017, no Subsidiary Series B Preferred Units have been issued.

Below is the rollforward analysis of the activity relating to the preferred units in the Operating Partnership as of December 31, 2017 and 2016 (in thousands):

	December 31,	
	2017	**2016**
Balance at beginning of period	**$ 302,010**	$ 282,516
Issuance of preferred units	**—**	22,793
Redemption of preferred units	**(275)**	(3,299)
Balance at end of period	**$ 301,735**	$ 302,010

12. Stockholders’ Equity of the Company

Common Stock

Our authorized capital stock consists of 260,000,000 shares, $0.01 par value per share, consisting of 160,000,000 shares of common stock, $0.01 par value per share, 75,000,000 shares of excess stock, at $0.01 par value per share, and 25,000,000 shares of preferred stock, par value $0.01 per share. As of December 31, 2017, 92,803,299 shares of common stock and no shares of excess stock were issued and outstanding.

Stock Repurchase Program

In August 2016, our board of directors approved a stock repurchase plan under which we can buy up to $1.0 billion of shares of our common stock. In December 2017, our board of directors authorized an increase to the size of this plan by an additional $500 million of our common stock, bringing it to a total of $1.5 billion of shares.

At December 31, 2017 repurchases under the plan were as follows:

Period	Number of shares purchased	Average price paid per share	Cumulative number of shares purchased as part of the repurchase plan or programs	Maximum approximate dollar value of shares that may yet be purchased under the plan (in millions) [(1)]
First quarter 2017	63,812	$103.84	63,812	$1,493.4
Second quarter 2017	2,384,323	$103.40	2,448,135	$1,246.8
Third quarter 2017	951,866	$101.67	3,400,001	$1,150.0
Fourth quarter 2017 [(2)]	4,942,410	$100.76	8,342,411	$652.0

(1) Reflective of $1.5 billion plan maximum as of December 31, 2017.
(2) Includes 413,700 shares of common stock repurchased by the Company in December 2017 that were settled in January 2018.

At-The-Market Equity Offering Program

In July 2011, the Company, along with the Operating Partnership, entered into an "at-the-market" equity offering program, or ATM Program, to sell an aggregate of $250.0 million of our common stock. During the year ended December 31, 2015, we sold 25,659 shares of our common stock out of the remaining balance of the ATM Program for aggregate net proceeds of $2.8 million. The net proceeds from these offerings were contributed to the Operating Partnership in exchange for 25,659 units of limited partnership interest of the Operating Partnership.

In June 2014, the Company, along with the Operating Partnership, entered into an ATM Program to sell an aggregate of $300.0 million of our common stock. During the year ended December 31, 2015, we sold 895,956 shares of our common stock for aggregate net proceeds of $113.4 million comprising the remaining balance of this ATM Program. The net proceeds from these offerings

were contributed to the Operating Partnership in exchange for 895,956 units of limited partnership interest of the Operating Partnership.

In March 2015, the Company, along with the Operating Partnership, entered into a new ATM Program to sell an aggregate of $300.0 million of our common stock. The Company did not make any sales of its common stock under an ATM program in the years ended December 31, 2016 and December 31, 2017.

Perpetual Preferred Stock

We have 9,200,000 shares of our 6.50% Series I Cumulative Redeemable Preferred Stock, or the Series I Preferred Stock, outstanding with a mandatory liquidation preference of $25.00 per share. The Series I Preferred stockholders receive annual dividends of $1.625 per share paid on a quarterly basis and dividends are cumulative, subject to certain provisions. We are entitled to redeem the Series I Preferred Stock at par for cash at our option. In August 2012, we received $221.9 million in net proceeds from the issuance of the Series I Preferred Stock, which were recorded net of underwriters' discount and issuance costs, and contributed the net proceeds to the Operating Partnership in exchange for 9,200,000 units of 6.50% Series I Cumulative Redeemable Preferred Units of limited partnership interest, or the Series I Preferred Units.

Dividend Reinvestment and Stock Purchase Plan

In February 2015, the Company filed a registration statement with the SEC for our dividend reinvestment and stock purchase plan, or DRSPP, which automatically became effective upon filing. The Company registered 3,500,000 shares of our common stock under the DRSPP. The DRSPP commenced on September 24, 2001.

The following table summarizes SL Green common stock issued, and proceeds received from dividend reinvestments and/or stock purchases under the DRSPP for the year ended December 31, 2017, 2016, and 2015, respectively (in thousands):

	Year Ended December 31,		
	2017	**2016**	**2015**
Common Stock Shares Issued	**2,141**	2,687	775,760
Dividend reinvestments/stock purchases under the DRSPP	**$ 223**	$ 277	$ 99,555

Earnings per Share

SL Green's earnings per share for the years ended December 31, 2017, 2016, and 2015 are computed as follows (in thousands):

	Year Ended December 31,		
Numerator	**2017**	**2016**	**2015**
Basic Earnings:			
Income attributable to SL Green common stockholders	**$ 86,424**	$ 234,946	$ 269,132
Effect of Dilutive Securities:			
Redemption of units to common shares	**3,995**	10,136	10,565
Diluted Earnings:			
Income attributable to SL Green common stockholders	**$ 90,419**	$ 245,082	$ 279,697

	Year Ended December 31,		
Denominator	**2017**	**2016**	**2015**
Basic Shares:			
Weighted average common stock outstanding	**98,571**	100,185	99,345
Effect of Dilutive Securities:			
Operating Partnership units redeemable for common shares	**4,556**	4,323	3,899
Stock-based compensation plans	**276**	373	490
Diluted weighted average common stock outstanding	**103,403**	104,881	103,734

SL Green has excluded 1,092,870, 774,782 and 263,991 common stock equivalents from the diluted shares outstanding for the years ended December 31, 2017, 2016, and 2015 respectively, as they were anti-dilutive.

13. Partners' Capital of the Operating Partnership

The Company is the sole general partner of the Operating Partnership and at December 31, 2017 owned 92,803,299 general and limited partnership interests in the Operating Partnership and 9,200,000 Series I Preferred Units. Partnership interests in the Operating Partnership are denominated as "common units of limited partnership interest" (also referred to as "OP Units") or "preferred units of limited partnership interest" (also referred to as "Preferred Units"). All references to OP Units and Preferred Units outstanding exclude such units held by the Company. A holder of an OP Unit may present such OP Unit to the Operating Partnership for redemption at any time (subject to restrictions agreed upon at the issuance of OP Units to particular holders that may restrict such right for a period of time, generally one year from issuance). Upon presentation of an OP Unit for redemption, the Operating Partnership must redeem such OP Unit in exchange for the cash equal to the then value of a share of common stock of the Company, except that the Company may, at its election, in lieu of cash redemption, acquire such OP Unit for one share of common stock. Because the number of shares of common stock outstanding at all times equals the number of OP Units that the Company owns, one share of common stock is generally the economic equivalent of one OP Unit, and the quarterly distribution that may be paid to the holder of an OP Unit equals the quarterly dividend that may be paid to the holder of a share of common stock. Each series of Preferred Units makes a distribution that is set in accordance with an amendment to the partnership agreement of the Operating Partnership. Preferred Units may also be convertible into OP Units at the election of the holder thereof or the Company, subject to the terms of such Preferred Units.

Net income (loss) allocated to the preferred unitholders and common unitholders reflects their pro rata share of net income (loss) and distributions.

Limited Partner Units

As of December 31, 2017, limited partners other than SL Green owned 4.58%, or 4,452,979 common units, of the Operating Partnership.

Preferred Units

Preferred units not owned by SL Green are further described in Note 11, "Noncontrolling Interests on the Company's Consolidated Financial Statements - Preferred Units of Limited Partnership Interest in the Operating Partnership."

Earnings per Unit

The Operating Partnership's earnings per unit for the years ended December 31, 2017, 2016, and 2015 respectively are computed as follows (in thousands):

	Year Ended December 31,		
Numerator	**2017**	**2016**	**2015**
Basic and Diluted Earnings:			
Income attributable to SLGOP common unitholders	**$ 90,419**	$ 245,082	$ 279,697

	Year Ended December 31,		
Denominator	**2017**	**2016**	**2015**
Basic units:			
Weighted average common units outstanding	**103,127**	104,508	103,244
Effect of Dilutive Securities:			
Stock-based compensation plans	**276**	373	490
Diluted weighted average common units outstanding	**103,403**	104,881	103,734

The Operating Partnership has excluded 1,092,870, 774,782, and 263,991 common unit equivalents from the diluted units outstanding for the years ended December 31, 2017, 2016, and 2015 respectively, as they were anti-dilutive.

14. Share-based Compensation

We have stock-based employee and director compensation plans. Our employees are compensated through the Operating Partnership. Under each plan, whenever the Company issues common or preferred stock, the Operating Partnership issues an equivalent number of units of limited partnership interest of a corresponding class to the Company.

Fourth Amended and Restated 2005 Stock Option and Incentive Plan

The Fourth Amended and Restated 2005 Stock Option and Incentive Plan, or the 2005 Plan, was approved by the Company's board of directors in April 2016 and its stockholders in June 2016 at the Company's annual meeting of stockholders. The 2005 Plan authorizes the issuance of stock options, stock appreciation rights, unrestricted and restricted stock, phantom shares, dividend equivalent rights, cash-based awards and other equity-based awards. Subject to adjustments upon certain corporate transactions or events, awards with respect to up to a maximum of 27,030,000 fungible units may be granted under the 2005 Plan. Currently, different types of awards count against the limit on the number of fungible units differently, with (1) full-value awards (i.e., those that deliver the full value of the award upon vesting, such as restricted stock) counting as 3.74 Fungible Units per share subject to such awards, (2) stock options, stock appreciation rights and other awards that do not deliver full value and expire five years from the date of grant counting as 0.73 fungible units per share subject to such awards, and (3) all other awards (e.g., ten-year stock options) counting as 1.0 fungible units per share subject to such awards. Awards granted under the 2005 Plan prior to the approval of the fourth amendment and restatement in June 2016 continue to count against the fungible unit limit based on the ratios that were in effect at the time such awards were granted, which may be different than the current ratios. As a result, depending on the types of awards issued, the 2005 Plan may result in the issuance of more or less than 27,030,000 shares. If a stock option or other award granted under the 2005 Plan expires or terminates, the common stock subject to any portion of the award that expires or terminates without having been exercised or paid, as the case may be, will again become available for the issuance of additional awards. Shares of our common stock distributed under the 2005 Plan may be treasury shares or authorized but unissued shares. Currently, unless the 2005 Plan has been previously terminated by the Company's board of directors, new awards may be granted under the 2005 Plan until June 2, 2026, which is the tenth anniversary of the date that the 2005 Plan was most recently approved by the Company's stockholders. As of December 31, 2017, 8.3 million fungible units were available for issuance under the 2005 Plan after reserving for shares underlying outstanding restricted stock units, phantom stock units granted pursuant to our Non-Employee Directors' Deferral Program and LTIP Units.

Options are granted under the plan with an exercise price at the fair market value of the Company's common stock on the date of grant and, subject to employment, generally expire five or ten years from the date of grant, are not transferable other than on death, and generally vest in one to five years commencing one year from the date of grant. We have also granted Class O LTIP Units, which are a class of LTIP Units in the Operating Partnership structured to provide economics similar to those of stock options. Class O LTIP Units, once vested, may be converted, at the election of the holder, into a number of common units of the Operating Partnership per Class O LTIP Unit determined by the increase in value of a share of the Company’s common stock at the time of conversion over a participation threshold, which equals the fair market value of a share of the Company’s common stock at the time of grant. Class O LTIP Units are entitled to distributions, subject to vesting, equal per unit to 10% of the per unit distributions paid with respect to the common units of the Operating Partnership.

The fair value of each stock option or LTIP Unit granted is estimated on the date of grant using the Black-Scholes option pricing model based on historical information with the following weighted average assumptions for grants during the years ended December 31, 2017, 2016, and 2015.

	2017	2016	2015
Dividend yield	**2.51%**	2.37%	1.97%
Expected life	4.4 years	3.7 years	3.6 years
Risk-free interest rate	**1.73%**	1.57%	1.43%
Expected stock price volatility	**28.10%**	26.76%	32.34%

A summary of the status of the Company's stock options as of December 31, 2017, 2016, and 2015 and changes during the years ended December 31, 2017, 2016, and 2015 are as follows:

	2017		2016		2015	
	Options Outstanding	**Weighted Average Exercise Price**	**Options Outstanding**	**Weighted Average Exercise Price**	**Options Outstanding**	**Weighted Average Exercise Price**
Balance at beginning of year	**$ 1,737,213**	**$ 98.44**	$ 1,595,007	$ 95.52	$ 1,462,726	$ 87.98
Granted	**174,000**	**105.66**	445,100	105.86	389,836	112.54
Exercised	**(292,193)**	**81.07**	(192,875)	76.90	(217,438)	74.69
Lapsed or canceled	**(70,301)**	**121.68**	(110,019)	123.86	(40,117)	98.61
Balance at end of year	**$ 1,548,719**	**$ 101.48**	$ 1,737,213	$ 98.44	$ 1,595,007	$ 95.52
Options exercisable at end of year	**800,902**	**$ 94.33**	748,617	$ 87.72	589,055	$ 89.85
Weighted average fair value of options granted during the year	**$ 3,816,652**		$ 8,363,036		$ 9,522,613	

All options were granted with strike prices ranging from $20.67 to $137.18. The remaining weighted average contractual life of the options outstanding was 3.6 years and the remaining average contractual life of the options exercisable was 3.1 years.

During the years ended December 31, 2017, 2016, and 2015, we recognized compensation expense for these options of $7.8 million, $8.9 million, and $8.0 million, respectively. As of December 31, 2017, there was $8.6 million of total unrecognized compensation cost related to unvested stock options, which is expected to be recognized over a weighted average period of 1.5 years.

Stock-based Compensation

Effective January 1, 1999, the Company implemented a deferred compensation plan, or the Deferred Plan, where shares issued under the Deferred Plan were granted to certain employees, including our executives and vesting will occur annually upon the completion of a service period or our meeting established financial performance criteria. Annual vesting occurs at rates ranging from 15% to 35% once performance criteria are reached.

A summary of the Company's restricted stock as of December 31, 2017, 2016, and 2015 and charges during the years ended December 31, 2017, 2016, and 2015 are as follows:

	2017	2016	2015
Balance at beginning of year	**3,202,031**	3,137,881	3,000,979
Granted	**96,185**	98,800	143,053
Canceled	**—**	(34,650)	(6,151)
Balance at end of year	**3,298,216**	3,202,031	3,137,881
Vested during the year	**95,736**	83,822	87,081
Compensation expense recorded	**$ 9,809,749**	$ 7,153,966	$ 7,540,747
Weighted average fair value of restricted stock granted during the year	**$ 9,905,986**	$ 10,650,077	$ 16,061,201

The fair value of restricted stock that vested during the years ended December 31, 2017, 2016, and 2015 was $9.4 million, $7.6 million and $7.4 million, respectively. As of December 31, 2017, there was $21.1 million of total unrecognized compensation cost related to restricted stock, which is expected to be recognized over a weighted average period of 2.2 years.

For the years ended December 31, 2017, 2016, and 2015, $7.2 million, $6.0 million, and $6.5 million, respectively, was capitalized to assets associated with compensation expense related to our long-term compensation plans, restricted stock and stock options.

We granted LTIP Units, which include bonus, time-based and performance based awards, with a fair value of $20.5 million and $34.9 million during the years ended December 31, 2017 and 2016, respectively. The grant date fair value of the LTIP Unit awards was calculated in accordance with ASC 718. A third party consultant determined the fair value of the LTIP Units to have a discount from our common stock price. The discount was calculated by considering the inherent uncertainty that the LTIP Units

will reach parity with other common partnership units and the illiquidity due to transfer restrictions. As of December 31, 2017, there was $4.6 million of total unrecognized compensation expense related to the time-based and performance based LTIP Unit awards, which is expected to be recognized over a weighted average period of 1.5 years.

During the years ended December 31, 2017, 2016, and 2015, we recorded compensation expense related to bonus, time-based and performance based LTIP Unit awards of $26.1 million, $26.5 million, and $30.2 million, respectively.

2011 Outperformance Plan

In August 2011, the compensation committee of the Company's board of directors approved the general terms of the SL Green Realty Corp. 2011 Outperformance Plan, or the 2011 Outperformance Plan. Participants in the 2011 Outperformance Plan could earn, in the aggregate, up to $85.0 million of LTIP Units in the Operating Partnership based on our total return to stockholders for the three-year period beginning September 1, 2011. Under the 2011 Outperformance Plan, participants were entitled to share in a "performance pool" comprised of LTIP Units with a value equal to 10% of the amount by which our total return to stockholders during the three-year period exceeded a cumulative total return to stockholders of 25%, subject to the maximum of $85.0 million of LTIP Units; provided that if maximum performance was achieved, one-third of each award could be earned at any time after the beginning of the second year and an additional one-third of each award could be earned at any time after the beginning of the third year. LTIP Units earned under the 2011 Outperformance Plan were subject to vesting requirements, with 50% of any awards earned vesting on August 31, 2014 and the remaining 50% vesting on August 31, 2015, based on continued employment with us through such dates. Participants were not entitled to distributions with respect to LTIP Units granted under the 2011 Outperformance Plan unless and until they were earned. For LTIP Units that were earned, each participant was also entitled to the distributions that would have been paid had the number of earned LTIP Units been issued at the beginning of the performance period, with such distributions being paid in the form of additional LTIP Units. Thereafter, distributions are paid currently with respect to all earned LTIP Units, whether vested or unvested. In June 2014, the compensation committee determined that maximum performance had been achieved during the third year of the performance period and, accordingly, 560,908 LTIP Units, representing two-thirds of each award, were earned, subject to vesting, under the 2011 Outperformance Plan. In September 2014, the compensation committee determined that maximum performance had been achieved for the full three-year performance period and, accordingly, 280,454 LTIP units, representing the final third of each award, were earned, subject to vesting, under the 2011 Outperformance Plan.

The cost of the 2011 Outperformance Plan ($26.7 million, subject to forfeitures) was amortized into earnings through the final vesting period. We recorded no compensation expense during the year ended December 31, 2017, no compensation expense during the year ended December 31, 2016, and compensation expense of $4.5 million during the year ended December 31, 2015, related to the 2011 Outperformance Plan.

2014 Outperformance Plan

In August 2014, the compensation committee of the Company's board of directors approved the general terms of the SL Green Realty Corp. 2014 Outperformance Plan, or the 2014 Outperformance Plan. Participants in the 2014 Outperformance Plan could earn, in the aggregate, up to 610,000 LTIP Units in our Operating Partnership based on our total return to stockholders for the three-year period beginning September 1, 2014. Under the 2014 Outperformance Plan, two-thirds of the LTIP Units were subject to performance based vesting based on the Company’s absolute total return to stockholders and one-third of the LTIP Units were subject to performance based vesting based on relative total return to stockholders compared to the constituents of the MSCI REIT Index. LTIP Units earned under the 2014 Outperformance Plan were to be subject to continued vesting requirements, with 50% of any awards earned vesting on August 31, 2017 and the remaining 50% vesting on August 31, 2018, subject to continued employment with us through such dates. Participants were not entitled to distributions with respect to LTIP Units granted under the 2014 Outperformance Plan unless and until they are earned. If LTIP Units were earned, each participant would have been entitled to the distributions that would have been paid had the number of earned LTIP Units been issued at the beginning of the performance period, with such distributions being paid in the form of cash or additional LTIP Units. Thereafter, distributions were to be paid currently with respect to all earned LTIP Units, whether vested or unvested.

Based on our performance, none of the LTIP Units granted under the 2014 Outperformance Plan were earned pursuant to the terms of the 2014 Outperformance Plan, and all units issued were forfeited in 2017.

The cost of the 2014 Outperformance Plan ($27.9 million subject to forfeitures), based on the portion of the 2014 Outperformance Plan granted prior to termination, was amortized into earnings through December 31, 2017. We recorded compensation expense of $13.6 million, $8.4 million, and $5.9 million during the years ended December 31, 2017, 2016, and 2015, respectively, related to the 2014 Outperformance Plan.

Deferred Compensation Plan for Directors

Under our Non-Employee Director's Deferral Program, which commenced July 2004, the Company's non-employee directors may elect to defer up to 100% of their annual retainer fee, chairman fees, meeting fees and annual stock grant. Unless otherwise elected by a participant, fees deferred under the program shall be credited in the form of phantom stock units. The program provides that a director's phantom stock units generally will be settled in an equal number of shares of common stock upon the earlier of (i) the January 1 coincident with or the next following such director's termination of service from the Board of Directors or (ii) a change in control by us, as defined by the program. Phantom stock units are credited to each non-employee director quarterly using the closing price of our common stock on the first business day of the respective quarter. Each participating non-employee director is also credited with dividend equivalents or phantom stock units based on the dividend rate for each quarter, which are either paid in cash currently or credited to the director’s account as additional phantom stock units.

During the year ended December 31, 2017, 12,727 phantom stock units were earned and 9,509 shares of common stock were issued to our board of directors. We recorded compensation expense of $2.4 million during the year ended December 31, 2017 related to the Deferred Compensation Plan. As of December 31, 2017, there were 99,853 phantom stock units outstanding pursuant to our Non-Employee Director's Deferral Program.

Employee Stock Purchase Plan

In 2007, the Company's board of directors adopted the 2008 Employee Stock Purchase Plan, or ESPP, to encourage our employees to increase their efforts to make our business more successful by providing equity-based incentives to eligible employees. The ESPP is intended to qualify as an "employee stock purchase plan" under Section 423 of the Code, and has been adopted by the board to enable our eligible employees to purchase the Company's shares of common stock through payroll deductions. The ESPP became effective on January 1, 2008 with a maximum of 500,000 shares of the common stock available for issuance, subject to adjustment upon a merger, reorganization, stock split or other similar corporate change. The Company filed a registration statement on Form S-8 with the SEC with respect to the ESPP. The common stock is offered for purchase through a series of successive offering periods. Each offering period will be three months in duration and will begin on the first day of each calendar quarter, with the first offering period having commenced on January 1, 2008. The ESPP provides for eligible employees to purchase the common stock at a purchase price equal to 85% of the lesser of (1) the market value of the common stock on the first day of the offering period or (2) the market value of the common stock on the last day of the offering period. The ESPP was approved by our stockholders at our 2008 annual meeting of stockholders. As of December 31, 2017, 104,597 shares of our common stock had been issued under the ESPP.

15. Accumulated Other Comprehensive Income

The following tables set forth the changes in accumulated other comprehensive income (loss) by component as of December 31, 2017, 2016 and 2015 (in thousands):

	Net unrealized gain on derivative instruments (1)	SL Green's share of joint venture net unrealized gain on derivative instruments (2)	Net unrealized gain on marketable securities	Total
Balance at December 31, 2014	$ (9,498)	$ (95)	$ 2,613	$ (6,980)
Other comprehensive loss before reclassifications	(11,143)	(1,714)	(610)	(13,467)
Amounts reclassified from accumulated other comprehensive income	10,481	1,217	—	11,698
Balance at December 31, 2015	(10,160)	(592)	2,003	(8,749)
Other comprehensive income before reclassifications	13,534	1,160	3,517	18,211
Amounts reclassified from accumulated other comprehensive income	9,222	3,453	—	12,675
Balance at December 31, 2016	12,596	4,021	5,520	22,137
Other comprehensive (loss) income before reclassifications	(1,618)	233	(1,348)	(2,733)
Amounts reclassified from accumulated other comprehensive income	1,564	766	(3,130)	(800)
Balance at December 31, 2017	$ 12,542	$ 5,020	$ 1,042	$ 18,604

(1) Amount reclassified from accumulated other comprehensive income (loss) is included in interest expense in the respective consolidated statements of operations. As of December 31, 2017 and 2016, the deferred net losses from these terminated hedges, which is included in accumulated other comprehensive loss relating to net unrealized loss on derivative instrument, was $3.2 million and $7.1 million, respectively.

(2) Amount reclassified from accumulated other comprehensive income (loss) is included in equity in net income from unconsolidated joint ventures in the respective consolidated statements of operations.

16. Fair Value Measurements

We are required to disclose fair value information with regard to our financial instruments, whether or not recognized in the consolidated balance sheets, for which it is practical to estimate fair value. The FASB guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. We measure and/or disclose the estimated fair value of financial assets and liabilities based on a hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity and the reporting entity's own assumptions about market participant assumptions. This hierarchy consists of three broad levels: Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date; Level 2 - inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and Level 3 - unobservable inputs for the asset or liability that are used when little or no market data is available. We follow this hierarchy for our assets and liabilities measured at fair value on a recurring and nonrecurring basis. In instances in which the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level of input that is significant to the fair value measurement in its entirety. Our assessment of the significance of the particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The following tables set forth the assets and liabilities that we measure at fair value on a recurring and non-recurring basis by their levels in the fair value hierarchy at December 31, 2017 and 2016 (in thousands):

	December 31, 2017			
	Total	Level 1	Level 2	Level 3
Assets:				
Marketable securities	$ 28,579	$ —	$ 28,579	$ —
Interest rate cap and swap agreements (included in other assets)	$ 16,692	$ —	$ 16,692	$ —

	December 31, 2016			
	Total	Level 1	Level 2	Level 3
Assets:				
Marketable securities	$ 85,110	$ 48,315	$ 36,795	$ —
Interest rate cap and swap agreements (included in other assets)	$ 21,090	$ —	$ 21,090	$ —
Liabilities:				
Interest rate cap and swap agreements (included in accrued interest payable and other liabilities)	$ 1	$ —	$ 1	$ —

We determine other than temporary impairment in real estate investments and debt and preferred equity investments, including intangibles primarily utilizing cash flow projections that apply, among other things, estimated revenue and expense growth rates, discount rates and capitalization rates, as well as sales comparison approach, which utilizes comparable sales, listings and sales contracts. All of which are classified as Level 3 inputs.

As of December 31, 2017, we held notes receivable totaling $250.0 million, which were purchased at par, and were in maturity default at the time of acquisition. In August 2017, the Company determined that it was probable that the loans would not be repaid in full and therefore, the loans were put on non-accrual status. The loans had an outstanding balance including accrued interest of $259.3 million at the time that they were put on non accrual status. The Company has initiated proceedings to foreclose on the property, and expects to take control of the property unless the buyer is able to repay the principal and interest, including default interest and fees, on the notes receivable in full prior to the completion of the foreclosure process. We believe the collateral value is sufficient to recover the carrying amounts of the notes receivable.

The marketable securities classified as Level 1 were derived from quoted prices in active markets. The valuation technique used to measure the fair value of the marketable securities classified as Level 2 were valued based on quoted market prices or model driven valuations using the significant inputs derived from or corroborated by observable market data. Marketable securities in an unrealized loss position are not considered to be other than temporarily impaired. We do not intend to sell these securities and it is not more likely than not that we will be required to sell the investments before recovery of their amortized cost bases.

The fair value of derivative instruments is based on current market data received from financial sources that trade such instruments and are based on prevailing market data and derived from third party proprietary models based on well-recognized financial principles and reasonable estimates about relevant future market conditions, which are classified as Level 2 inputs.

The financial assets and liabilities that are not measured at fair value on our consolidated balance sheets include cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued expenses, debt and preferred equity investments, mortgages and other loans payable and other secured and unsecured debt. The carrying amount of cash and cash equivalents, restricted cash, accounts receivable, and accounts payable and accrued expenses reported in our consolidated balance sheets approximates fair value due to the short term nature of these instruments. The fair value of debt and preferred equity investments, which is classified as Level 3, is estimated by discounting the future cash flows using current interest rates at which similar loans with the same maturities would be made to borrowers with similar credit ratings. The fair value of borrowings, which is classified as Level 3, is estimated by discounting the contractual cash flows of each debt instrument to their present value using adjusted market interest rates, which is provided by a third-party specialist.

The following table provides the carrying value and fair value of these financial instruments as of December 31, 2017 and December 31, 2016 (in thousands):

	December 31, 2017		December 31, 2016	
	Carrying Value [1]	**Fair Value**	**Carrying Value [1]**	**Fair Value**
Debt and preferred equity investments	**$ 2,114,041**	[2]	$ 1,640,412	[2]
Fixed rate debt	**$ 4,305,165**	**$ 4,421,866**	$ 5,452,084	$ 5,722,494
Variable rate debt	**1,605,431**	**1,612,224**	1,105,585	1,110,110
	$ 5,910,596	**$ 6,034,090**	$ 6,557,669	$ 6,832,604

(1) Amounts exclude net deferred financing costs.
(2) At December 31, 2017, debt and preferred equity investments had an estimated fair value ranging between $2.1 billion and $2.3 billion. At December 31, 2016, debt and preferred equity investments had an estimated fair value ranging between $1.6 billion and $1.8 billion.

Disclosure about fair value of financial instruments was based on pertinent information available to us as of December 31, 2017 and 2016. Although we are not aware of any factors that would significantly affect the reasonable fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since that date and current estimates of fair value may differ significantly from the amounts presented herein.

17. Financial Instruments: Derivatives and Hedging

In the normal course of business, we use a variety of commonly used derivative instruments, such as interest rate swaps, caps, collar and floors, to manage, or hedge interest rate risk. We hedge our exposure to variability in future cash flows for forecasted transactions in addition to anticipated future interest payments on existing debt. We recognize all derivatives on the balance sheets at fair value. Derivatives that are not hedges are adjusted to fair value through earnings. If a derivative is a hedge, depending on the nature of the hedge, changes in the fair value of the derivative will either be offset against the change in fair value of the hedge asset, liability, or firm commitment through earnings, or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings. Reported net income and equity may increase or decrease prospectively, depending on future levels of interest rates and other variables affecting the fair values of derivative instruments and hedged items, but will have no effect on cash flows. Currently, all of our designated derivative instruments are effective hedging instruments.

The following table summarizes the notional value at inception and fair value of our consolidated derivative financial instruments at December 31, 2017 based on Level 2 information. The notional value is an indication of the extent of our involvement in these instruments at that time, but does not represent exposure to credit, interest rate or market risks (amounts in thousands).

	Notional Value	Strike Rate	Effective Date	Expiration Date	Balance Sheet Location	Fair Value
Interest Rate Swap	$ 200,000	1.131%	July 2016	July 2023	Other Assets	$ 10,747
Interest Rate Swap	100,000	1.161%	July 2016	July 2023	Other Assets	5,217
Interest Rate Swap	21,394	12.000%	January 2017	January 2019	Other Assets	167
Interest Rate Cap	137,500	4.000%	September 2017	September 2019	Other Assets	2
Interest Rate Swap	100,000	1.928%	December 2017	November 2020	Other Assets	288
Interest Rate Swap	100,000	1.934%	December 2017	November 2020	Other Assets	271
						$ 16,692

During the years ended December 31, 2017, 2016, and 2015, we recorded a $0.5 million loss, a $0.5 million gain, and a $0.1 million gain, respectively, on the changes in the fair value, which is included in interest expense in the consolidated statements of operations.

The Company has agreements with each of its derivative counterparties that contain a provision where if the Company either defaults or is capable of being declared in default on any of its indebtedness, then the Company could also be declared in default on its derivative obligations. As of December 31, 2017, the fair value of derivatives in a net liability position including accrued interest but excluding any adjustment for nonperformance risk related to these agreements was zero. As of December 31, 2017,

the Company has not posted any collateral related to these agreements and was not in breach of any agreement provisions. If the Company had breached any of these provisions, it could have been required to settle its obligations under the agreements at their aggregate termination value of zero at December 31, 2017.

Gains and losses on terminated hedges are included in accumulated other comprehensive income, and are recognized into earnings over the term of the related mortgage obligation. Over time, the realized and unrealized gains and losses held in accumulated other comprehensive income will be reclassified into earnings as an adjustment to interest expense in the same periods in which the hedged interest payments affect earnings. We estimate that $0.5 million of the current balance held in accumulated other comprehensive income will be reclassified into interest expense and $(0.3) million of the portion related to our share of joint venture accumulated other comprehensive income will be reclassified into equity in net income from unconsolidated joint ventures within the next 12 months.

The following table presents the effect of our derivative financial instruments and our share of our joint ventures' derivative financial instruments that are designated and qualify as hedging instruments on the consolidated statements of operations for the years ended December 31, 2017, 2016, and 2015, respectively (in thousands):

	Amount of (Loss) Gain Recognized in Other Comprehensive Loss (Effective Portion)			Location of (Loss) Reclassified from Accumulated Other Comprehensive Loss into Income	Amount of Loss Reclassified from Accumulated Other Comprehensive Loss into Income (Effective Portion)			Location of (Loss) Gain Recognized in Income on Derivative	Amount of (Loss) Gain Recognized into Income (Ineffective Portion)		
	Year Ended December 31,				Year Ended December 31,				Year Ended December 31,		
Derivative	2017	2016	2015		2017	2016	2015		2017	2016	2015
Interest Rate Swaps/Caps	$ (2,282)	$ 14,616	$ (11,607)	Interest expense	$ 1,821	$ 9,521	$ 10,892	Interest expense	$ 5	$ (28)	$ (422)
Share of unconsolidated joint ventures' derivative instruments	(200)	2,012	(1,779)	Equity in net income from unconsolidated joint ventures	1,035	1,981	1,265	Equity in net income from unconsolidated joint ventures	55	785	(19)
	$ (2,482)	$ 16,628	$ (13,386)		$ 2,856	$ 11,502	$ 12,157		$ 60	$ 757	$ (441)

18. Rental Income

The Operating Partnership is the lessor and the sublessor to tenants under operating leases with expiration dates ranging from January 1, 2018 to 2064. The minimum rental amounts due under the leases are generally either subject to scheduled fixed increases or adjustments. The leases generally also require that the tenants reimburse us for increases in certain operating costs and real estate taxes above their base year costs. Approximate future minimum rents to be received over the next five years and thereafter for non-cancelable operating leases in effect at December 31, 2017 for the consolidated properties, including consolidated joint venture properties, and our share of unconsolidated joint venture properties are as follows (in thousands):

	Consolidated Properties	Unconsolidated Properties
2018	$ 901,092	$ 433,764
2019	865,254	386,564
2020	790,714	424,201
2021	657,283	426,078
2022	558,993	414,889
Thereafter	3,339,829	3,102,309
	$ 7,113,165	$ 5,187,805

19. Benefit Plans

The building employees are covered by multi-employer defined benefit pension plans and post-retirement health and welfare plans. We participate in the Building Service 32BJ, or Union, Pension Plan and Health Plan. The Pension Plan is a multi-employer, non-contributory defined benefit pension plan that was established under the terms of collective bargaining agreements between the Service Employees International Union, Local 32BJ, the Realty Advisory Board on Labor Relations, Inc. and certain other

employees. This Pension Plan is administered by a joint board of trustees consisting of union trustees and employer trustees and operates under employer identification number 13-1879376. The Pension Plan year runs from July 1 to June 30. Employers contribute to the Pension Plan at a fixed rate on behalf of each covered employee. Separate actuarial information regarding such pension plans is not made available to the contributing employers by the union administrators or trustees, since the plans do not maintain separate records for each reporting unit. However, on September 28, 2015, and September 28, 2016, and September 28, 2017, the actuary certified that for the plan years beginning July 1, 2015, July 1, 2016, and July 1, 2017, the Pension Plan was in critical status under the Pension Protection Act of 2006. The Pension Plan trustees adopted a rehabilitation plan consistent with this requirement. No surcharges have been paid to the Pension Plan as of December 31, 2017. For the Pension Plan years ended June 30, 2017, 2016, and 2015, the plan received contributions from employers totaling $257.8 million, $249.5 million, and $221.9 million. Our contributions to the Pension Plan represent less than 5.0% of total contributions to the plan.

The Health Plan was established under the terms of collective bargaining agreements between the Union, the Realty Advisory Board on Labor Relations, Inc. and certain other employers. The Health Plan provides health and other benefits to eligible participants employed in the building service industry who are covered under collective bargaining agreements, or other written agreements, with the Union. The Health Plan is administered by a Board of Trustees with equal representation by the employers and the Union and operates under employer identification number 13-2928869. The Health Plan receives contributions in accordance with collective bargaining agreements or participation agreements. Generally, these agreements provide that the employers contribute to the Health Plan at a fixed rate on behalf of each covered employee. For the Health Plan years ended, June 30, 2017, 2016, and 2015, the plan received contributions from employers totaling $1.3 billion, $1.2 billion and $1.1 billion, respectively. Our contributions to the Health Plan represent less than 5.0% of total contributions to the plan.

Contributions we made to the multi-employer plans for the years ended December 31, 2017, 2016 and 2015 are included in the table below (in thousands):

Benefit Plan	**2017**	**2016**	**2015**
Pension Plan	$ 3,856	$ 3,979	$ 2,732
Health Plan	11,426	11,530	8,736
Other plans	1,463	1,583	5,716
Total plan contributions	**$ 16,745**	$ 17,092	$ 17,184

401(K) Plan

In August 1997, we implemented a 401(K) Savings/Retirement Plan, or the 401(K) Plan, to cover eligible employees of ours, and any designated affiliate. The 401(K) Plan permits eligible employees to defer up to 15% of their annual compensation, subject to certain limitations imposed by the Code. The employees' elective deferrals are immediately vested and non-forfeitable upon contribution to the 401(K) Plan. During 2003, we amended our 401(K) Plan to provide for discretionary matching contributions only. For 2017, 2016 and 2015, a matching contribution equal to 50% of the first 6% of annual compensation was made. For the year ended December 31, 2017, we made a matching contribution of $728,782. For the years ended December 31, 2016 and 2015, we made matching contributions of $566,000 and $550,000, respectively.

20. Commitments and Contingencies

Legal Proceedings

As of December 31, 2017, the Company and the Operating Partnership were not involved in any material litigation nor, to management's knowledge, was any material litigation threatened against us or our portfolio which if adversely determined could have a material adverse impact on us.

Environmental Matters

Our management believes that the properties are in compliance in all material respects with applicable Federal, state and local ordinances and regulations regarding environmental issues. Management is not aware of any environmental liability that it believes would have a materially adverse impact on our financial position, results of operations or cash flows. Management is unaware of any instances in which it would incur significant environmental cost if any of our properties were sold.

Employment Agreements

We have entered into employment agreements with certain executives, which expire between December 2018 and February 2020. The minimum cash-based compensation, including base salary and guaranteed bonus payments, associated with these employment agreements total $5.4 million for 2018. In addition these employment agreements provide for deferred compensation

awards based on our stock price and which were valued at $1.6 million on the grant date. The value of these awards may change based on fluctuations in our stock price.

Insurance

We maintain “all-risk” property and rental value coverage (including coverage regarding the perils of flood, earthquake and terrorism, excluding nuclear, biological, chemical, and radiological terrorism ("NBCR")), within three property insurance programs and liability insurance. Separate property and liability coverage may be purchased on a stand-alone basis for certain assets, such as the development of One Vanderbilt. Additionally, our captive insurance company, Belmont Insurance Company, or Belmont, provides coverage for NBCR terrorist acts above a specified trigger, although if Belmont is required to pay a claim under our insurance policies, we would ultimately record the loss to the extent of Belmont's required payment. However, there is no assurance that in the future we will be able to procure coverage at a reasonable cost. Further, if we experience losses that are uninsured or that exceed policy limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. Additionally, our debt instruments contain customary covenants requiring us to maintain insurance and we could default under debt our instruments if the cost and/or availability of certain types of insurance make it impractical or impossible to comply with such covenants relating to insurance. Belmont provides coverage solely on properties owned by the Company or its affiliates.

Furthermore, with respect to certain of our properties, including properties held by joint ventures, or subject to triple net leases, insurance coverage is obtained by a third-party and we do not control the coverage. While we may have agreements with such third parties to maintain adequate coverage and we monitor these policies, such coverage ultimately may not be maintained or adequately cover our risk of loss.

Belmont had loss reserves of $5.5 million and $6.3 million as of December 31, 2017 and 2016, respectively.

Capital and Ground Leases Arrangements

In 2015, we entered into a ground lease for the land and building located at 30 East 40th Street with a lease term ending in August 2114. Based on our evaluation of the arrangement under ASC 840, land was estimated to be approximately 63.6% of the fair market value of the property. The portion attributable to land was classified as operating lease with an expiration date of 2114 ($76.0 million total over the lease term attributed to ground rent) and the remainder as a capital lease in the amount of $20.0 million.

The property located at 420 Lexington Avenue operates under a ground lease ($10.9 million of ground rent annually through December 2019, $11.2 million of ground rent annually through December 2029, and $12.3 million annually afterwards, subject to a one-time adjustment based on 6% of the fair value of the land) with an expiration date of 2050 and two options to renew for an additional 35 years.

The property located at 1080 Amsterdam Avenue operates under a ground and capital lease with an expiration date of 2111 ($41.6 million total over the lease term attributed to ground rent). Land was estimated to be 40.0% of the fair market value of the property, which was classified as an operating lease. The remainder was classified as a capital lease.

The property located at 711 Third Avenue operates under an operating sub-lease with an expiration date of 2033 and five options to renew for an additional 10 years each. The ground rent was reset in July 2011. Following the reset, we are responsible for ground rent payments of $5.25 million annually through July 2016 and then $5.5 million annually thereafter on the 50% portion of the fee that we do not own.

The property located at 461 Fifth Avenue operates under a ground lease ($2.1 million of ground rent annually) with an expiration date of 2027 and two options to renew for an additional 21 years each, followed by a third option for 15 years. We also have an option to purchase the fee position for a fixed price on a specific date.

The property located at 625 Madison Avenue operates under a ground lease ($4.6 million of ground rent annually) with an expiration date of 2022 and two options to renew for an additional 23 years.

The property located at 1185 Avenue of the Americas operates under a ground lease ($6.9 million of ground rent annually) with an expiration date of 2043 and an option to renew for an additional 23 years.

The property located at 1055 Washington Boulevard operates under a ground lease ($0.6 million of ground rent annually) with an expiration date of 2090.

The following is a schedule of future minimum lease payments under capital leases and non-cancellable operating leases with initial terms in excess of one year as of December 31, 2017 (in thousands):

	Capital lease	Non-cancellable operating leases
2018	$ 2,387	$ 31,049
2019	2,411	31,066
2020	2,620	31,436
2021	2,794	31,628
2022	2,794	29,472
Thereafter	819,894	703,254
Total minimum lease payments	$ 832,900	$ 857,905
Amount representing interest	(790,057)	
Capital lease obligations	$ 42,843	

21. Segment Information

The Company is a REIT engaged in all aspects of property ownership and management including investment, leasing operations, capital improvements, development, redevelopment, financing, construction and maintenance in the New York metropolitan area and have two reportable segments, real estate and debt and preferred equity. We evaluate real estate performance and allocate resources based on earnings contribution to income from continuing operations.

The primary sources of revenue are generated from tenant rents and escalations and reimbursement revenue. Real estate property operating expenses consist primarily of security, maintenance, utility costs, real estate taxes and ground rent expense (at certain applicable properties). See Note 5, "Debt and Preferred Equity Investments," for additional details on our debt and preferred equity investments.

Selected results of operations for the years ended December 31, 2017, 2016, and 2015, and selected asset information as of December 31, 2017 and 2016, regarding our operating segments are as follows (in thousands):

	Real Estate Segment	Debt and Preferred Equity Segment	Total Company
Total revenues			
Years ended:			
December 31, 2017	$ 1,317,602	$ 193,871	$ 1,511,473
December 31, 2016	1,650,973	213,008	1,863,981
December 31, 2015	1,481,701	181,128	1,662,829
Income from continuing operations before equity in net gain on sale of interest in unconsolidated joint venture/real estate, purchase price fair value adjustment, gain on sale of real estate, depreciable real estate reserves, loss on early extinguishment of debt, and gain (loss) on sale of marketable securities			
Years ended:			
December 31, 2017	$ 16,557	$ 170,363	$ 186,920
December 31, 2016	(197,000)	204,256	7,256
December 31, 2015	(71,634)	161,923	90,289
Total assets			
As of:			
December 31, 2017	$ 11,696,560	$ 2,286,344	$ 13,982,904
December 31, 2016	13,868,672	1,989,115	15,857,787

Income from continuing operations represents total revenues less total expenses for the real estate segment and total investment income less allocated interest expense for the debt and preferred equity segment. Interest costs for the debt and preferred equity segment includes actual costs incurred for investments collateralizing the MRA. Interest is imputed on the remaining investments

using our corporate borrowing cost. We also allocate loan loss reserves, net of recoveries, and transaction related costs to the debt and preferred equity segment. We do not allocate marketing, general and administrative expenses to the debt and preferred equity segment since the use of personnel and resources is dependent on transaction volume between the two segments and varies period over period. In addition, we base performance on the individual segments prior to allocating marketing, general and administrative expenses. For the years ended, December 31, 2016, 2015, and 2014 marketing, general and administrative expenses totaled $100.5 million, $99.8 million, and $94.9 million respectively. All other expenses, except interest, relate entirely to the real estate assets.

There were no transactions between the above two segments.

The table below reconciles income from continuing operations to net income for the years ended December 31, 2017, 2016, and 2015 (in thousands):

	Year ended December 31,		
	2017	**2016**	**2015**
Income from continuing operations before equity in net gain on sale of interest in unconsolidated joint venture/real estate, purchase price fair value adjustment, gain on sale of real estate, depreciable real estate reserves, loss on early extinguishment of debt, and gain (loss) on sale of marketable securities	**$ 186,920**	$ 7,256	$ 90,289
Equity in net gain on sale of interest in unconsolidated joint venture/real estate	**16,166**	44,009	15,844
Purchase price fair value adjustment	**—**	—	40,078
Gain on sale of real estate, net	**73,241**	238,116	175,974
Depreciable real estate reserves	**(178,520)**	(10,387)	(19,226)
Loss on early extinguishment of debt	**—**	—	(49)
Gain (loss) on sale of investment in marketable securities	**3,262**	(83)	—
Income from continuing operations	**101,069**	278,911	302,910
Net income from discontinued operations	**—**	—	427
Gain on sale of discontinued operations	**—**	—	14,122
Net income	**$ 101,069**	$ 278,911	$ 317,459

22. Quarterly Financial Data of the Company (unaudited)

Summarized quarterly financial data for the years ended December 31, 2017 and 2016 was as follows (in thousands, except for per share amounts):

2017 Quarter Ended	December 31	September 30		June 30		March 31
Total revenues	$ 361,342	$ 374,600	—	$ 398,150	—	$ 377,381
Income from continuing operations before equity in net income from unconsolidated joint ventures, equity in net gain on sale of interest in unconsolidated joint venture/real estate, gain (loss) on sale of real estate, depreciable real estate reserves and gain on the sale of investment in marketable securities	$ 47,234	$ 40,687	—	$ 32,401	—	$ 44,706
Equity in net income from unconsolidated joint ventures	7,788	4,078	—	3,412	—	6,614
Equity in net gain on sale of interest in unconsolidated joint venture/real estate	—	1,030	—	13,089	—	2,047
Gain (loss) on sale of real estate, net	76,497	—	—	(3,823)	—	567
Depreciable real estate reserves	(93,184)	—	—	(29,064)	—	(56,272)
Gain on the sale of investment in marketable securities	—	—	—	—	—	3,262
Noncontrolling interests and preferred unit distributions	(6,616)	(3,188)	—	(4,056)	—	14,165
Net income attributable to SL Green	31,719	42,607		11,959		15,089
Perpetual preferred stock dividends	(3,737)	(3,738)		(3,737)	—	(3,738)
Net income attributable to SL Green common stockholders	$ 27,982	$ 38,869		$ 8,222		$ 11,351
Net income attributable to common stockholders per common share—basic	$ 0.29	$ 0.40	—	$ 0.08	—	$ 0.11
Net income attributable to common stockholders per common share—diluted	$ 0.29	$ 0.40	—	$ 0.08	—	$ 0.11

2016 Quarter Ended	December 31	September 30	June 30	March 31
Total revenues	$ 374,242	$ 416,681	$ 617,614	$ 455,444
Income (loss) from continuing operations before equity in net (loss) income from unconsolidated joint ventures, equity in net gain on sale of interest in unconsolidated joint venture/real estate, gain on sale of real estate, depreciable real estate reserves and loss on sale of marketable securities	$ 26,278	$ 46,689	$ (76,304)	$ (1,281)
Equity in net (loss) income from unconsolidated joint ventures	(95)	(3,968)	5,841	10,096
Equity in net gain on sale of interest in unconsolidated joint venture/real estate	421	225	33,448	9,915
Gain on sale of real estate, net	27,366	397	196,580	13,773
Depreciable real estate reserves	—	—	(10,387)	—
Loss on the sale of investment in marketable securities	—	—	(83)	—
Noncontrolling interests and preferred unit distributions	(6,217)	(5,353)	(11,901)	(5,544)
Net income attributable to SL Green	47,753	37,990	137,194	26,959
Perpetual preferred stock dividends	(3,737)	(3,738)	(3,737)	(3,738)
Net income attributable to SL Green common stockholders	$ 44,016	$ 34,252	$ 133,457	$ 23,221
Net income attributable to common stockholders per common share—basic	$ 0.44	$ 0.34	$ 1.33	$ 0.23
Net income attributable to common stockholders per common share—diluted	$ 0.44	$ 0.34	$ 1.33	$ 0.23

SL Green Realty Corp. and SL Green Operating Partnership, L.P.
Notes to Consolidated Financial Statements (cont.)
December 31, 2017

23. Quarterly Financial Data of the Operating Partnership (unaudited)

Summarized quarterly financial data for the years ended December 31, 2017 and 2016 was as follows (in thousands, except for per share amounts):

2017 Quarter Ended	December 31	September 30		June 30		March 31
Total revenues	$ 361,342	$ 374,600	—	$ 398,150	—	$ 377,381
Income from continuing operations before equity in net income from unconsolidated joint ventures, equity in net gain on sale of interest in unconsolidated joint venture/real estate, gain (loss) on sale of real estate, depreciable real estate reserves and gain on the sale of investment in marketable securities	$ 47,234	$ 40,687	—	$ 32,401	—	$ 44,706
Equity in net income from unconsolidated joint ventures	7,788	4,078	—	3,412	—	6,614
Equity in net gain on sale of interest in unconsolidated joint venture/real estate	—	1,030	—	13,089	—	2,047
Gain (loss) on sale of real estate, net	76,497	—	—	(3,823)	—	567
Depreciable real estate reserves	(93,184)	—	—	(29,064)	—	(56,272)
Gain on the sale of investment in marketable securities	—	—	—	—	—	3,262
Noncontrolling interests and preferred unit distributions	(5,328)	(1,376)	—	(3,637)	—	14,641
Net income attributable to SLGOP	33,007	44,419	—	12,378		15,565
Perpetual preferred units distributions	(3,737)	(3,738)	—	(3,737)	—	(3,738)
Net income attributable to SLGOP common unitholders	$ 29,270	$ 40,681	—	$ 8,641		$ 11,827
Net income attributable to common unitholders per common unit—basic	$ 0.29	$ 0.40	—	$ 0.08	—	$ 0.11
Net income attributable to common unitholders per common unit—diluted	$ 0.29	$ 0.40	—	$ 0.08	—	$ 0.11

2016 Quarter Ended	December 31	September 30	June 30	March 31
Total revenues	$ 374,242	$ 416,681	$ 617,614	$ 455,444
Income (loss) from continuing operations before equity in net (loss) income from unconsolidated joint ventures, equity in net gain on sale of interest in unconsolidated joint venture/real estate, gain on sale of real estate, depreciable real estate reserves and loss on the sale of investment in marketable securities	$ 26,278	$ 46,689	$ (76,304)	$ (1,281)
Equity in net (loss) income from unconsolidated joint ventures	(95)	(3,968)	5,841	10,096
Equity in net gain on sale of interest in unconsolidated joint venture/real estate	421	225	33,448	9,915
Gain on sale of real estate, net	27,366	397	196,580	13,773
Depreciable real estate reserves	—	—	(10,387)	—
Loss on the sale of investment in marketable securities	—	—	(83)	—
Noncontrolling interests and preferred unit distributions	(4,252)	(3,690)	(6,315)	(4,622)
Net income attributable to SLGOP	49,718	39,653	142,780	27,881
Perpetual preferred units distributions	(3,737)	(3,738)	(3,737)	(3,738)
Net income attributable to SLGOP common unitholders	$ 45,981	$ 35,915	$ 139,043	$ 24,143
Net income attributable to common unitholders per common unit—basic	$ 0.44	$ 0.34	$ 1.33	$ 0.23
Net income attributable to common unitholders per common unit—diluted	$ 0.44	$ 0.34	$ 1.33	$ 0.23

SL Green Realty Corp. and SL Green Operating Partnership, L.P.
Schedule II - Valuation and Qualifying Accounts
December 31, 2017
(in thousands)

Column A	Column B	Column C	Column D	Column E
Description	**Balance at Beginning of Year**	**Additions Charged Against Operations**	**Uncollectible Accounts Written-off/Recovery (1)**	**Balance at End of Year**
Year Ended December 31, 2017				
Tenant and other receivables—allowance	$ 16,592	$ 6,106	$ (4,061)	$ 18,637
Deferred rent receivable—allowance	$ 25,203	$ 2,321	$ (10,317)	$ 17,207
Year Ended December 31, 2016				
Tenant and other receivables—allowance	$ 17,618	$ 10,630	$ (11,656)	$ 16,592
Deferred rent receivable—allowance	$ 21,730	$ 13,620	$ (10,147)	$ 25,203
Year Ended December 31, 2015				
Tenant receivables—allowance	$ 18,068	$ 8,139	$ (8,589)	$ 17,618
Deferred rent receivable—allowance	$ 27,411	$ 2,789	$ (8,470)	$ 21,730

(1) Includes the effect of properties that were sold and/or deconsolidated within the period.

SL Green Realty Corp. and SL Green Operating Partnership, L.P.
Schedule III - Real Estate and Accumulated Depreciation
December 31, 2017
(in thousands)

Column A	Column B	Column C Initial Cost		Column D Cost Capitalized Subsequent To Acquisition		Column E Gross Amount at Which Carried at Close of Period			Column F	Column G	Column H	Column I
Description	Encumbrances	Land	Building & Improvements	Land	Building & Improvements	Land	Building & Improvements	Total	Accumulated Depreciation	Date of Construction	Date Acquired	Life on Which Depreciation is Computed
420 Lexington Ave(1)	$ 300,000	$ —	$ 107,832	$ —	$ 253,314	$ —	$ 361,146	$ 361,146	$ 157,502	1927	3/1998	Various
711 Third Avenue(1)(2)	—	19,844	42,499	—	66,553	19,844	109,052	128,896	39,396	1955	5/1998	Various
555 W. 57th Street(1)	—	18,846	78,704	—	61,424	18,846	140,128	158,974	64,281	1971	1/1999	Various
220 East 42nd Street(1)	275,000	50,373	203,727	635	143,059	51,008	346,786	397,794	97,895	1929	2/2003	Various
461 Fifth Avenue(1)	—	—	62,695	—	16,185	—	78,880	78,880	28,378	1988	10/2003	Various
750 Third Avenue(1)	—	51,093	205,972	—	42,543	51,093	248,515	299,608	93,469	1958	7/2004	Various
625 Madison Ave(1)	—	—	246,673	—	43,175	—	289,848	289,848	107,791	1956	10/2004	Various
485 Lexington Avenue(1)	450,000	77,517	326,825	765	110,648	78,282	437,473	515,755	168,921	1956	12/2004	Various
609 Fifth Avenue(1)	—	36,677	145,954	—	10,435	36,677	156,389	193,066	46,059	1925	6/2006	Various
810 Seventh Avenue(1)	—	114,077	476,386	—	71,735	114,077	548,121	662,198	162,606	1970	1/2007	Various
919 Third Avenue(1)(3)	500,000	223,529	1,033,198	35,410	68,413	258,939	1,101,611	1,360,550	303,424	1970	1/2007	Various
1185 Avenue of the Americas(1)	—	—	728,213	—	47,793	—	776,006	776,006	242,681	1969	1/2007	Various
1350 Avenue of the Americas(1)	—	91,038	380,744	(97)	41,911	90,941	422,655	513,596	124,638	1966	1/2007	Various
100 Summit Lake Drive(4)	—	10,526	43,109	—	11,215	10,526	54,324	64,850	16,963	1988	1/2007	Various
200 Summit Lake Drive(4)	—	11,183	47,906	—	11,177	11,183	59,083	70,266	18,818	1990	1/2007	Various
500 Summit Lake Drive(4)	—	9,777	39,048	—	6,358	9,777	45,406	55,183	13,074	1986	1/2007	Various
360 Hamilton Avenue(4)	—	29,497	118,250	—	15,392	29,497	133,642	163,139	39,811	2000	1/2007	Various
1-6 Landmark Square(5)	100,000	50,947	195,167	—	51,515	50,947	246,682	297,629	70,120	1973-1984	1/2007	Various
7 Landmark Square(5)	—	2,088	7,748	(367)	670	1,721	8,418	10,139	1,286	2007	1/2007	Various
1010 Washington Boulevard(5)	—	7,747	30,423	—	7,378	7,747	37,801	45,548	11,044	1988	1/2007	Various
400 Summit Lake Drive(4)	—	38,889	1	285	2	39,174	3	39,177	—	---	1/2007	N/A
1055 Washington Boulevard(5)	—	13,516	53,228	—	8,390	13,516	61,618	75,134	18,075	1987	6/2007	Various
1 Madison Avenue(1)	486,153	172,641	654,394	905	15,801	173,546	670,195	843,741	175,971	1960	8/2007	Various
100 Church Street(1)	217,273	32,494	79,996	2,500	96,027	34,994	176,023	211,017	46,825	1959	1/2010	Various
125 Park Avenue(1)	—	120,900	189,714	—	74,660	120,900	264,374	385,274	65,529	1923	10/2010	Various
Williamsburg(6)	—	3,677	14,708	2,523	(4,550)	6,200	10,158	16,358	1,865	2010	12/2010	Various
110 East 42nd Street(1)	—	34,000	46,411	2,196	27,253	36,196	73,664	109,860	17,603	1921	5/2011	Various
400 East 58th Street(1)(7)	40,000	17,549	30,916	—	7,590	17,549	38,506	56,055	5,154	1929	1/2012	Various
752 Madison Avenue(1)	—	282,415	7,131	1,871	58	284,286	7,189	291,475	1,180	1996/2012	1/2012	Various
762 Madison Avenue(1)(7)	771	6,153	10,461	—	131	6,153	10,592	16,745	1,627	1910	1/2012	Various
19-21 East 65th Street(1)(7)	—	—	7,389	—	364	—	7,753	7,753	1,141	1928-1940	1/2012	Various
304 Park Avenue(1)	—	54,189	75,619	300	14,550	54,489	90,169	144,658	16,445	1930	6/2012	Various
635 Sixth Avenue(1)	—	24,180	37,158	163	51,805	24,343	88,963	113,306	7,854	1902	9/2012	Various
641 Sixth Avenue(1)	—	45,668	67,316	308	6,029	45,976	73,345	119,321	12,097	1902	9/2012	Various
1080 Amsterdam(1)(8)	36,363	—	27,445	—	20,489	—	47,934	47,934	4,216	1932	10/2012	Various

SL Green Realty Corp. and SL Green Operating Partnership, L.P.
Schedule III - Real Estate and Accumulated Depreciation
December 31, 2017
(in thousands)

Column A	Column B	Column C Initial Cost		Column D Cost Capitalized Subsequent To Acquisition		Column E Gross Amount at Which Carried at Close of Period			Column F	Column G	Column H	Column I
Description	Encumbrances	Land	Building & Improvements	Land	Building & Improvements	Land	Building & Improvements	Total	Accumulated Depreciation	Date of Construction	Date Acquired	Life on Which Depreciation is Computed
315 West 33rd Street (1)	250,000	195,834	164,429	—	11,583	195,834	176,012	371,846	19,966	2000-2001	11/2013	Various
562 Fifth Avenue(1)	—	57,052	10,487	—	1,213	57,052	11,700	68,752	3,596	1909/1920/1921	11/2013	Various
719 Seventh Avenue(1)(9)	41,622	41,850	—	2,336	34,055	44,186	34,055	78,241	215	1927	7/2014	Various
115 Spring Street(1)	—	11,078	44,799	—	1,759	11,078	46,558	57,636	4,083	1900	7/2014	Various
635 Madison(1)	—	205,632	15,805	—	—	205,632	15,805	221,437	1,306		9/2014	N/A
1640 Flatbush Avenue(6)	—	6,226	501	—	231	6,226	732	6,958	35	1966	3/2015	Various
One Vanderbilt (1)(10)	—	80,069	116,557	(80,069)	(116,558)	—	(1)	(1)	—	N/A	6/2001 - 11/2011	Various
Upper East Side Residential (1)(11)	—	48,152	—	13,323	—	61,475	—	61,475	—	1930	6/2015	Various
110 Greene Street (1)(7)	—	45,120	215,470	—	9,611	45,120	225,081	270,201	15,693	1910	7/2015	Various
187 Broadway (1)	—	7,600	9,412	(7,600)	(154)	—	9,258	9,258	9,258	1969	8/2015	Various
5-7 Dey Street (1)	58,000	13,400	34,175	13,050	10,481	26,450	44,656	71,106	34,136	1921	8/2015	Various
30 East 40th Street (1)	—	4,650	20,000	2	4,197	4,652	24,197	28,849	534	1927	8/2015	Various
183 Broadway(1)	—	5,799	23,431	(5,799)	923	—	24,354	24,354	24,354	1920	3/2016	Various
Other(12)	—	922	14,210	(3)	2	919	14,212	15,131	3,201			Various
Total	$ 2,755,182	$ 2,374,414	$ 6,492,236	$ (17,363)	$ 1,356,835	$ 2,357,051	$ 7,849,071	$ 10,206,122	$ 2,300,116			

(1) Property located in New York, New York.
(2) We own a 50.0% interest in this property.
(3) We own a 51.0% interest in this property.
(4) Property located in Westchester County, New York.
(5) Property located in Connecticut.
(6) Property located in Brooklyn, New York.
(7) We own a 90.0% interest in this property.
(8) We own a 92.5% interest in this property.
(9) We own a 75.0% interest in this property.
(10) Properties at 317 Madison Avenue, 331 Madison Avenue and 51 East 42nd Street were demolished in preparation of the development site for the One Vanderbilt project.
(11) We own a 95.1% interest in this property.
(12) Other includes tenant improvements of eEmerge, capitalized interest and corporate improvements.

SL Green Realty Corp. and SL Green Operating Partnership, L.P.
Schedule III - Real Estate and Accumulated Depreciation
December 31, 2017
(in thousands)

The changes in real estate for the years ended December 31, 2017, 2016 and 2015 are as follows (in thousands):

	2017	2016	2015
Balance at beginning of year	**$ 12,743,332**	$ 16,681,602	$ 14,069,141
Property acquisitions	**13,323**	29,230	3,064,137
Improvements	**342,014**	426,060	396,555
Retirements/disposals/deconsolidation	**(2,892,547)**	(4,393,560)	(848,231)
Balance at end of year	**$ 10,206,122**	$ 12,743,332	$ 16,681,602

The aggregate cost of land, buildings and improvements, before depreciation, for Federal income tax purposes at December 31, 2017 was $9.2 billion (unaudited).

The changes in accumulated depreciation, exclusive of amounts relating to equipment, autos, and furniture and fixtures, for the years ended December 31, 2017, 2016 and 2015 are as follows (in thousands):

	2017	2016	2015
Balance at beginning of year	**$ 2,264,694**	$ 2,060,706	$ 1,905,165
Depreciation for year	**347,015**	353,502	480,523
Retirements/disposals/deconsolidation	**(311,593)**	(149,514)	(324,982)
Balance at end of year	**$ 2,300,116**	$ 2,264,694	$ 2,060,706

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTNG AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

SL GREEN REALTY CORP.

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure based closely on the definition of "disclosure controls and procedures" in Rule 13a-15(e) of the Exchange Act. Notwithstanding the foregoing, a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that it will detect or uncover failures within the Company to disclose material information otherwise required to be set forth in our periodic reports. Also, the Company has investments in certain unconsolidated entities. As the Company does not control these entities, its disclosure controls and procedures with respect to such entities are necessarily substantially more limited than those the Company maintains with respect to its consolidated subsidiaries.

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon that evaluation as of the end of the period covered by this report, the Company's Chief Executive Officer and Chief Financial Officer concluded that its disclosure controls and procedures were effective to give reasonable assurances to the timely collection, evaluation and disclosure of information relating to the Company that would potentially be subject to disclosure under the Exchange Act and the rules and regulations promulgated thereunder.

Management's Report on Internal Control over Financial Reporting

The Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2017 based on the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) (COSO). Based on that evaluation, the Company concluded that its internal control over financial reporting was effective as of December 31, 2017.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2017 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Changes in Internal Control over Financial Reporting

There have been no significant changes in the Company's internal control over financial reporting during the year ended December 31, 2017 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

SL GREEN OPERATING PARTNERSHIP, L.P.

Evaluation of Disclosure Controls and Procedures

The Operating Partnership maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Operating Partnership's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to the Operating Partnership's management, including the Chief Executive Officer and Chief Financial Officer of the Operating Partnership's general partner, as appropriate, to allow timely decisions regarding required disclosure based closely on the definition of “disclosure controls and procedures” in Rule 13a-15(e) of the Exchange Act. Notwithstanding the foregoing, a control system, no matter how

well designed and operated, can provide only reasonable, not absolute, assurance that it will detect or uncover failures within the Operating Partnership to disclose material information otherwise required to be set forth in the Operating Partnership's periodic reports. Also, the Operating Partnership has investments in certain unconsolidated entities. As the Operating Partnership does not control these entities, the Operating Partnership's disclosure controls and procedures with respect to such entities are necessarily substantially more limited than those it maintains with respect to its consolidated subsidiaries.

As of the end of the period covered by this report, the Operating Partnership carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer of the Operating Partnership's general partner, of the effectiveness of the design and operation of the Operating Partnership's disclosure controls and procedures. Based upon that evaluation as of the end of the period covered by this report, the Chief Executive Officer and Chief Financial Officer of the Operating Partnership's general partner concluded that the Operating Partnership's disclosure controls and procedures were effective to give reasonable assurances to the timely collection, evaluation and disclosure of information relating to the Operating Partnership that would potentially be subject to disclosure under the Exchange Act and the rules and regulations promulgated thereunder.

Management’s Report on Internal Control over Financial Reporting

The Operating Partnership is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15 (f) and 15d-15 (f). Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer of the Operating Partnership's general partner, the Operating Partnership conducted an evaluation of the effectiveness of its internal control over financial reporting as of December 31, 2017 based on the framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) (COSO). Based on that evaluation, the Operating Partnership concluded that its internal control over financial reporting was effective as of December 31, 2017.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate.

The effectiveness of the Operating Partnership's internal control over financial reporting as of December 31, 2017 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Changes in Internal Control over Financial Reporting

There have been no significant changes in the Operating Partnership's internal control over financial reporting during the year ended December 31, 2017 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of SL Green Realty Corp.

Opinion on Internal Control over Financial Reporting

We have audited SL Green Realty Corp.'s internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, SL Green Realty Corp. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States)(PCAOB), the 2017 consolidated financial statements of the Company and our report dated February 23, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

New York, New York

February 23, 2018

Report of Independent Registered Public Accounting Firm

To the Partners of SL Green Operating Partnership, L.P.

Opinion on Internal Control over Financial Reporting

We have audited SL Green Operating Partnership L.P.'s internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, SL Green Operating Partnership, L.P. (the Operating Partnership) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2017 consolidated financial statements of the Operating Partnership and our report dated February 23, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

The Operating Partnership's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Operating Partnership's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Operating Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

New York, New York

February 23, 2018

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Item 10 will be set forth in our Definitive Proxy Statement for our 2018 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A under the Securities and Exchange Act of 1934, as amended, on or prior to April 30, 2018, or the 2018 Proxy Statement, and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 will be set forth in the 2018 Proxy Statement and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 12 will be set forth in the 2018 Proxy Statement and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 will be set forth under in the 2018 Proxy Statement and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information regarding principal accounting fees and services and the audit committee's pre-approval policies and procedures required by this Item 14 will be set forth in the 2018 Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENTS AND SCHEDULES

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Schedules other than those listed are omitted as they are not applicable or the required or equivalent information has been included in the financial statements or notes thereto.

(a)(3) In reviewing the agreements included as exhibits to this Annual Report on Form 10-K, please remember they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about us or the other parties to the agreements. The agreements contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and:

- should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;
- have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;
- may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and
- were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. Additional information about us may be found elsewhere in this Annual Report on Form 10-K and our other public filings, which are available without charge through the SEC's website at *http://www.sec.gov*.

INDEX TO EXHIBITS

3.1 Articles of Restatement, incorporated by reference to the Company's Form 10-Q, dated July 11, 2014, filed with the SEC on August 11, 2014.

3.2 Articles of Amendment to the Company’s Articles of Restatement, incorporated by reference to the Company’s Form 8-K, dated July 18, 2017, filed with the SEC on July 18, 2017.

3.3 Fourth Amended and Restated Bylaws of the Company, incorporated by reference to the Company's Form 8-K, dated March 23, 2016, filed with the SEC on March 23, 2016.

3.4 Articles Supplementary Electing that SL Green Realty Corp. be Subject to Maryland General Corporations Law Section 3-804(c), incorporated by reference to the Company's Form 8-K, dated September 16, 2009, filed with the SEC on September 16, 2009.

3.5 Articles Supplementary reclassifying 4,600,000 shares of 8.0% Series A Convertible Cumulative Preferred Stock, 1,300,000 shares of Series B Junior Participating Preferred Stock and 4,000,000 shares of 7.875% Series D Cumulative Redeemable Preferred Stock into authorized preferred stock without further designation, incorporated by reference to the Company's Form 8-K, dated August 9, 2012, filed with the SEC on August 10, 2012.

3.6 Articles Supplementary classifying and designating 9,200,000 shares of the Company's 6.50% Series I Cumulative Redeemable Preferred Stock, liquidation preference $25.00 per share, par value $0.01 per share, incorporated by reference to the Company's Form 8-K, dated August 9, 2012, filed with the SEC on August 10, 2012.

3.7 First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, incorporated by reference to the Company's Form 8-K, dated October 23, 2002, filed with the SEC on October 23, 2002.

3.8 First Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated May 14, 1998, incorporated by reference to the Company's Form 8-K, dated October 23, 2002, filed with the SEC on October 23, 2002.

3.9 Second Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002, filed with the SEC on July 31, 2002.

3.10 Third Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated December 12, 2003, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2003, filed with the SEC on March 15, 2004.

3.11 Amended and Restated Fourth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of July 15, 2004, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, filed with the SEC on March 15, 2005.

3.12 Fifth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of March 15, 2006, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2005, filed with the SEC on March 16, 2006.

3.13 Sixth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of June 30, 2006, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2006, filed with the SEC on August 10, 2006.

3.14 Seventh Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of January 25, 2007, incorporated by reference to the Company's Form 8-K, dated January 24, 2007, filed with the SEC on January 30, 2007.

3.15 Eighth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of January 20, 2010, incorporated by reference to the Company's Form 8-K, dated January 20, 2010, filed with the SEC on January 20, 2010.

3.16 Ninth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of November 30, 2011, incorporated by reference to the Company's Form 8-K, dated December 5, 2011, filed with the SEC on December 5, 2011.

3.17 Tenth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of January 31, 2012, incorporated by reference to the Company's Form 8-K, dated January 31, 2012, filed with the SEC on February 2, 2012.

3.18 Eleventh Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated March 6, 2012, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, filed with the SEC on May 10, 2012.

3.19 Twelfth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of August 10, 2012, incorporated by reference to the Company's Form 8-K, dated August 10, 2012, filed with the SEC on August 10, 2012.

3.20 Thirteenth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of April 2, 2014, incorporated by reference to the Company's Form 8-K, dated April 4, 2014, filed with the SEC on April 4, 2014.

3.21 Fourteenth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of July 1, 2014, incorporated by reference to the Company's Form 8-K, dated July 2, 2014, filed with the SEC on July 2, 2014.

3.22 Fifteenth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of July 1, 2014, incorporated by reference to the Company's Form 8-K, dated July 2, 2014, filed with the SEC on July 2, 2014.

3.23 Sixteenth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as February 12, 2015, incorporated by reference to the Company's Form 8-K, dated February 12, 2015, filed with the SEC on February 13, 2015.

3.24 Seventeenth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of June 19, 2015, incorporated by reference to the Company's Form 8-K, dated June 22, 2015, filed with the SEC on June 22, 2015.

3.25 Nineteenth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of July 22, 2015, incorporated by reference to the Company's Form 8-K, dated July 24, 2015, filed with the SEC on July 24, 2015.

3.26 Twentieth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of July 22, 2015, incorporated by reference to the Company's Form 8-K, dated July 24, 2015, filed with the SEC on July 24, 2015.

3.27 Twenty-First Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of August 20, 2015, incorporated by reference to the Company's Form 8-K, dated as of August 21, 2015, filed with the SEC on August 21, 2015.

3.28 Twenty-Second Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of August 20, 2015, incorporated by reference to the Company's Form 8-K, dated as of August 21, 2015, filed with the SEC on August 21, 2015.

3.29 Twenty-Third Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of March 28, 2016, incorporated by reference to the Company's Form 8-K, dated as of April 1, 2016, filed with the SEC on April 1, 2016.

3.30 Twenty-Fourth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of March 28, 2016, incorporated by reference to the Company's Form 8-K, dated as of April 1, 2016, filed with the SEC on April 1, 2016.

3.31 Twenty-Fifth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of June 17, 2016, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, filed with the SEC on November 9, 2016.

4.1 Specimen Common Stock Certificate, incorporated by reference to the Company's Registration Statement on Form S-11 (No. 333-29329), declared effective by the SEC on August 14, 1997.

4.2 Form of stock certificate evidencing the 6.50% Series I Cumulative Redeemable Preferred Stock of the Company, liquidation preference $25.00 per share, par value $0.01 per share, incorporated by reference to the Company's Form 8-K, dated August 9, 2012, filed with the SEC on August 10, 2012.

4.3 Indenture, dated as of March 16, 2010, among ROP, as Issuer, the Company and the Operating Partnership, as Co-Obligors, and The Bank of New York Mellon, as Trustee, incorporated by reference to the Company's Form 8-K, dated March 16, 2010, filed with the SEC on March 17, 2010.

4.4 Form of 7.75% Senior Note due 2020 of ROP, the Company and the Operating Partnership, incorporated by reference to the Company's Form 8-K, dated March 16, 2010, filed with the SEC on March 17, 2010.

4.5 Indenture, dated as of October 12, 2010, by and among the Operating Partnership, as Issuer, ROP, as Guarantor, the Company and The Bank of New York Mellon, as Trustee, incorporated by reference to the Company's Form 8-K, dated October 12, 2010, filed with the SEC on October 14, 2010.

4.6 Indenture, dated as of August 5, 2011, among the Company, the Operating Partnership and ROP, as Co-Obligors, and The Bank of New York Mellon, as Trustee, incorporated by reference to the Company's Form 8-K, dated August 5, 2011, filed with the SEC on August 5, 2011.

4.7 First Supplemental Indenture, dated as of August 5, 2011, among the Company, the Operating Partnership and ROP, as Co-Obligors, and The Bank of New York Mellon, as Trustee, incorporated by reference to the Company's Form 8-K, dated August 5, 2011, filed with the SEC on August 5, 2011.

4.8 Form of 5.00% Senior Note due 2018 of the Company, the Operating Partnership and ROP, incorporated by reference to the Company's Form 8-K, dated August 5, 2011, filed with the SEC on August 5, 2011.

4.9	Second Supplemental Indenture, dated as of November 15, 2012, among the Company, the Operating Partnership and ROP, as Co-Obligors, and The Bank of New York Mellon, as Trustee, incorporated by reference to the Company's Form 8-K, dated November 9, 2012, filed with the SEC on November 15, 2012.
4.10	Form of 4.50% Senior Note due 2018 of the Company, the Operating Partnership and ROP, incorporated by reference to the Company's Form 8-K, dated November 9, 2012, filed with the SEC on November 15, 2012.
4.11	Junior Subordinated Indenture, dated as of June 30, 2005, between the Operating Partnership and JPMorgan Chase Bank, National Association, as Trustee, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005, filed with the SEC on August 9, 2005.
4.12	Indenture, dated as of October 5, 2017, among the Company, the Operating Partnership, ROP and Wells Fargo Securities, LLC and J.P. Morgan Securities LLC, as representatives of the several underwriters, incorporated by reference to the Company’s Form 8-K, dated October 5, 2017, filed with the SEC on October 5, 2017.
4.13	First Supplemental Indenture, dated as of October 5, 2017, among the Operating Partnership, as Issuer, the Company and ROP, as Guarantors, and The Bank of New York Mellon, as Trustee, incorporated by reference to the Company’s Form 8-K, dated October 5, 2017, filed with the SEC on October 5, 2017.
4.14	Form of 3.250% Senior Note due 2022 of the Operating Partnership, incorporated by reference to the Company’s Form 8-K, dated October 5, 2017, filed with the SEC on October 5, 2017.
10.1	Amended and Restated Agreement of Limited Partnership of ROP, dated December 6, 1995, filed herewith.
10.2	Supplement to the Amended and Restated Agreement of Limited Partnership of ROP relating to the succession as a general partner of Wyoming Acquisition GP LLC, incorporated by reference to ROP's Annual Report on Form 10-K for the year ended December 31, 2007, filed with the SEC on March 31, 2008.
10.3	Registration Rights Agreement, dated as of March 26, 2007, by and among the Company, the Operating Partnership and the Initial Purchaser, incorporated by reference to the Company's Form 8-K, dated March 21, 2007, filed with the SEC on March 27, 2007.
10.4	Registration Rights Agreement, dated as of October 12, 2010, by and among the Operating Partnership, ROP, the Company and Citigroup Global Markets Inc., incorporated by reference to the Company's Form 8-K, dated October 12, 2010, filed with the SEC on October 14, 2010.
10.5	Form of Articles of Incorporation and Bylaws of SL Green Management Corp., incorporated by reference to the Company's Registration Statement on Form S-11 (No. 333-29329), declared effective by the SEC on August 14, 1997.
10.6	Form of Registration Rights Agreement between the Company and the persons named therein, incorporated by reference to the Company's Registration Statement on Form S-11 (No. 333-29329), declared effective by the SEC on August 14, 1997.
10.7	Amended and Restated Trust Agreement among the Operating Partnership, as depositor, JPMorgan Chase Bank, National Association, as property trustee, Chase Bank USA, National Association, as Delaware trustee, and the administrative trustees named therein, dated June 30, 2005, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005, filed with the SEC on August 9, 2005.
10.8	SL Green Realty Corp. Fourth Amended and Restated 2005 Stock Option and Incentive Plan, incorporated by reference to Appendix A to the Company's definitive Proxy Statement on Schedule 14A filed on April 22, 2016
10.9	Amended and Restated Non-Employee Directors' Deferral Program, dated December 13, 2017, filed herewith.
10.10	Amended and Restated Employment and Non-competition Agreement, dated December 24, 2010, between Stephen L. Green and the Company, incorporated by reference to the Company's Form 8-K, dated December 23, 2010, filed with the SEC on December 29, 2010.
10.11	Deferred Compensation Agreement, dated December 18, 2009, between the Company and Stephen L. Green, incorporated by reference to the Company's Form 8-K, dated December 18, 2009, filed with the SEC on December 24, 2009.
10.12	Deferred Compensation Agreement, dated December 24, 2010, between the Company and Stephen L. Green, incorporated by reference to the Company's Form 8-K, dated December 23, 2010, filed with the SEC on December 29, 2010.
10.13	Amended and Restated Employment and Noncompetition Agreement, dated as of February 10, 2016, by and between SL Green Realty Corp. and Marc Holliday, incorporated by reference to the Company's Form 8-K, dated February 10, 2016, filed with the SEC on February 12, 2016.
10.14	Deferred Compensation Agreement (2013), dated as of September 12, 2013, by and between the Company and Marc Holliday, incorporated by reference to the Company’s Form 8-K, dated September 12, 2013, filed with the SEC on September 13, 2013.
10.15	Deferred Compensation Agreement, dated as of February 10, 2016, by and between SL Green Realty Corp. and Marc Holliday, incorporated by reference to the Company's Form 8-K, dated February 10, 2016, filed with the SEC on February 12, 2016.

10.16 Amended and Restated Employment and Noncompetition Agreement, dated as of November 8, 2013, between the Company and Andrew Mathias, incorporated by reference to the Company's Form 8-K, dated November 8, 2013, filed with the SEC on November 8, 2013.

10.17 First Amendment to Amended and Restated Employment and Noncompetition Agreement, dated as of August 28, 2014, between the Company and Andrew Mathias, filed herewith.

10.18 Second Amendment to Amended and Restated Employment and Noncompetition Agreement, dated as of December 20, 2016, between the Company and Andrew Mathias, filed herewith.

10.19 Third Amendment to Amended and Restated Employment and Noncompetition Agreement, dated as of December 21, 2017, between the Company and Andrew Mathias, filed herewith.

10.20 Deferred Compensation Agreement (2014), dated as of November 8, 2013, between the Company and Andrew Mathias, incorporated by reference to the Company's Form 8-K, dated November 8, 2013, filed with the SEC on November 8, 2013.

10.21 Amended and Restated Employment and Noncompetition Agreement, dated as of February 10, 2016, by and between SL Green Realty Corp. and Andrew S. Levine, incorporated by reference to the Company's Form 8-K, dated February 10, 2016, filed with the SEC on February 12, 2016.

10.22 Amended and Restated Employment and Noncompetition Agreement, dated as of February 2, 2018, by and between the Company and Matthew DiLiberto, incorporated by reference to the Company's Form 8-K, dated February 2, 2018, filed with the SEC on February 5, 2018.

10.23 Second Amended and Restated Credit Agreement, dated as of November 21, 2017, by and among SL Green Realty Corp. and SL Green Operating Partnership, L.P., as Borrowers, each of the Lenders party thereto, Wells Fargo Bank, National Association, as Administrative Agent, Wells Fargo Securities, LLC, JPMorgan Chase Bank, N.A., Deutsche Bank Securities Inc. and U.S. Bank National Association, as joint lead arrangers and joint bookrunners for the Revolving Credit Facility and Term Loan A Facility, Merrill Lynch, Pierce, Fenner & Smith Incorporated and BMO Capital Markets Corp., as joint lead arrangers for the Revolving Credit Facility and Term Loan A Facility, JPMorgan Chase Bank, N.A., as syndication agent for the Revolving Credit Facility and Term Loan A Facility, Deutsche Bank Securities, Inc., U.S. Bank National Association, Bank of America, N.A., and Bank of Montreal, as documentation agents for the Revolving Credit Facility and Term Loan A Facility, Wells Fargo Securities, LLC and U.S. Bank National Association, as joint lead arrangers and joint bookrunners for the Term Loan B Facility, U.S. Bank National Association, as syndication agent for the Term Loan B Facility, and the other lenders and agents a party thereto, incorporated by reference to the Company's Form 8-K, dated November 27, 2017, filed with the SEC on November 27, 2017.

12.1 Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends of SL Green Realty Corp., filed herewith.

12.2 Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends of SL Green Operating Partnership, L.P., filed herewith.

21.1 Subsidiaries of SL Green Realty Corp., filed herewith.

21.2 Subsidiaries of SL Green Operating Partnership L.P., filed herewith.

23.1 Consent of Ernst & Young LLP for SL Green Realty Corp., filed herewith.

23.2 Consent of Ernst & Young LLP for SL Green Operating Partnership, L.P., filed herewith.

24.1 Power of Attorney for SL Green Realty Corp., included on the signature page of this Form 10-K.

24.2 Power of Attorney for SL Green Operating Partnership, L.P., included on the signature page of this Form 10-K.

31.1 Certification by the Chief Executive Officer of the Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

31.2 Certification by the Chief Financial Officer of the Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

31.3 Certification by the Chief Executive Officer of the Company, the sole general partner of the Operating Partnership pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

31.4 Certification by the Chief Financial Officer of the Company, the sole general partner of the Operating Partnership pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

32.1 Certification by the Chief Executive Officer pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.

32.2 Certification by the Chief Financial Officer pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.

32.3 Certification by the Chief Executive Officer of the Company, the sole general partner of the Operating Partnership pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.

32.4	Certification by the Chief Financial Officer of the Company, the sole general partner of the Operating Partnership pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.
101.1	The following financial statements from the SL Green Realty Corp. and SL Green Operating Partnership, L.P. 's Annual Report on Form 10-K for the year ended December 31, 2017, formatted in XBRL: (i) Consolidated Balance Sheets as of December 31, 2017 and 2016, (ii) Consolidated Statements of Operations for the years ended December 31, 2017, 2016 and 2015, (iii) Consolidated Statements of Comprehensive Income for the years ended December 31, 2017, 2016 and 2015, (iv) Consolidated Statement of Equity for the years ended December 31, 2017, 2016 and 2015 of the Company, (v) Consolidated Statement of Capital for the years ended December 31, 2017, 2016 and 2015 of the Operating Partnership (vi) Consolidated Statements of Cash Flows for the years ended December 31, 2017, 2016 and 2015, and (vii) Notes to Consolidated Financial Statements, detail tagged, filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SL GREEN REALTY CORP.

By: /s/ Matthew J. DiLiberto

Matthew J. DiLiberto
Chief Financial Officer

Dated: February 23, 2018

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned officers and directors of SL Green Realty Corp. hereby severally constitute Marc Holliday and Matthew J. DiLiberto, and each of them singly, our true and lawful attorneys and with full power to them, and each of them singly, to sign for us and in our names in the capacities indicated below, the Annual Report on Form 10-K filed herewith and any and all amendments to said Annual Report on Form 10-K, and generally to do all such things in our names and in our capacities as officers and directors to enable SL Green Realty Corp. to comply with the provisions of the Securities Exchange Act of 1934, as amended, and all requirements of the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or any of them, to said Annual Report on Form 10-K and any and all amendments thereto.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signatures	Title	Date
/s/ Stephen L. Green Stephen L. Green	Chairman of the Board of Directors	February 23, 2018
/s/ Marc Holliday Marc Holliday	Chief Executive Officer and Director (Principal Executive Officer)	February 23, 2018
/s/ Andrew W. Mathias Andrew W. Mathias	President and Director	February 23, 2018
/s/ Matthew J. DiLiberto Matthew J. DiLiberto	Chief Financial Officer (Principal Financial and Accounting Officer)	February 23, 2018
/s/ John H. Alschuler Jr. John H. Alschuler, Jr.	Director	February 23, 2018
/s/ Edwin T. Burton, III Edwin T. Burton, III	Director	February 23, 2018
/s/ John S. Levy John S. Levy	Director	February 23, 2018
/s/ Craig M. Hatkoff Craig M. Hatkoff	Director	February 23, 2018
/s/ Betsy S. Atkins Betsy S. Atkins	Director	February 23, 2018
/s/ Lauren B. Dillard Lauren B. Dillard	Director	February 23, 2018

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	SL GREEN OPERATING PARTNERSHIP, L.P.	
	By:	SL Green Realty Corp.
		/s/ Matthew J. DiLiberto
Dated: February 23, 2018	By:	Matthew J. DiLiberto *Chief Financial Officer*

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned officers and directors of SL Green Realty Corp., the sole general partner of SL Green Operating Partnership, L.P., hereby severally constitute Marc Holliday and Matthew J. DiLiberto, and each of them singly, our true and lawful attorneys and with full power to them, and each of them singly, to sign for us and in our names in the capacities indicated below, the Annual Report on Form 10-K filed herewith and any and all amendments to said Annual Report on Form 10-K, and generally to do all such things in our names and in our capacities as officers and directors to enable SL Green Operating Partnership, L.P. to comply with the provisions of the Securities Exchange Act of 1934, as amended, and all requirements of the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or any of them, to said Annual Report on Form 10-K and any and all amendments thereto.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signatures	Title	Date
/s/ Stephen L. Green Stephen L. Green	Chairman of the Board of Directors of SL Green, the sole general partner of the Operating Partnership	February 23, 2018
/s/ Marc Holliday Marc Holliday	Chief Executive Officer and Director of SL Green, the sole general partner of the Operating Partnership (Principal Executive Officer)	February 23, 2018
/s/ Andrew W. Mathias Andrew W. Mathias	President and Director of SL Green, the sole general partner of the Operating Partnership	February 23, 2018
/s/ Matthew J. DiLiberto Matthew J. DiLiberto	Chief Financial Officer of SL Green, the sole general partner of the Operating Partnership (Principal Financial and Accounting Officer)	February 23, 2018
/s/ John H. Alschuler, Jr. John H. Alschuler, Jr.	Director of SL Green, the sole general partner of the Operating Partnership	February 23, 2018
/s/ Edwin T. Burton, III Edwin T. Burton, III	Director of SL Green, the sole general partner of the Operating Partnership	February 23, 2018
/s/ John S. Levy John S. Levy	Director of SL Green, the sole general partner of the Operating Partnership	February 23, 2018
/s/ Craig M. Hatkoff Craig M. Hatkoff	Director of SL Green, the sole general partner of the Operating Partnership	February 23, 2018
/s/ Betsy S. Atkins Betsy S. Atkins	Director of SL Green, the sole general partner of the Operating Partnership	February 23, 2018
/s/ Lauren B. Dillard Lauren B. Dillard	Director of SL Green, the sole general partner of the Operating Partnership	February 23, 2018

AMENDED AND RESTATED

AGREEMENT OF LIMITED PARTNERSHIP

OF

RECKSON OPERATING PARTNERSHIP, L.P.

June 2, 1995
(amended on
December 6, 1995)

BWNY/87854.18

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AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
RECKSON OPERATING PARTNERSHIP, L.P.

THIS AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF RECKSON OPERATING PARTNERSHIP, L.P. (this "Agreement"), dated as of June 2, 1995, is entered into by and among Reckson Associates Realty Corp., a Maryland Corporation (the "Company"), and the Persons (as defined below) whose names are set forth on Exhibit A as attached hereto (as it may be amended from time to time).

WHEREAS, the Company and the Persons whose names are set forth on Exhibit A, as attached hereto, desire to enter into this Amended and Restated Agreement of Limited Partnership of Reckson Operating Partnership, L.P. (the "Partnership"); and

WHEREAS, the Company and the Persons whose names are set forth on Exhibit A, as attached hereto, will make certain capital contributions to the Partnership;

NOW THEREFORE, in consideration of the mutual covenants herein contained, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE 1
DEFINED TERMS

The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement.

"Act" means the Delaware Revised Uniform Limited Partnership Act, 6 Del. C. §17-101, et seq., as it may be amended from time to time, and any successor to such statute.

"Additional Limited Partner" means a Person admitted to the Partnership as a Limited Partner pursuant to Section 12.2 hereof and who is shown as such on the books and records of the Partnership.

"Adjusted Capital Account" means the Capital Account maintained for each Partner as of the end of each Partnership taxable year (i) increased by any amounts which such Partner is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and

1.704-2(i)(5); and (ii) decreased by the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Adjusted Capital Account Deficit" means, with respect to any Partner, the deficit balance, if any, in such Partner's Adjusted Capital Account as of the end of the relevant Partnership taxable year.

"Adjusted Property" means any property, the Carrying Value of which has been adjusted pursuant to Exhibit B hereof. Once an Adjusted Property is deemed distributed by, and recontributed to, the Partnership for federal income tax purposes upon a termination thereof pursuant to Section 708 of the Code, such property shall thereafter constitute a Contributed Property until the Carrying Value of such property is further adjusted pursuant to Exhibit B hereof.

"Affiliate" means, with respect to any Person, (i) any Person directly or indirectly controlling, controlled by or under common control with such Person; (ii) any Person owning or controlling ten percent (10%) or more of the outstanding voting interests of such Person; (iii) any Person of which such Person owns or controls ten percent (10%) or more of the voting interests; or (iv) any officer, director, general partner or trustee of such Person or of any Person referred to in clauses (i), (ii), and (iii) above.

"Agreed Value" means (i) in the case of any Contributed Property as of the time of its contribution to the Partnership, the 704(c) Value of such property, reduced by any liabilities either assumed by the Partnership upon such contribution or to which such property is subject when contributed, and (ii) in the case of any property distributed to a Partner by the Partnership, the Partnership's Carrying Value of such property at the time such property is distributed, reduced by any indebtedness either assumed by such Partner upon such distribution or to which such property is subject at the time of distribution as determined under Section 752 of the Code and the Regulations thereunder. The aggregate Agreed Value of the Contributed Property contributed or deemed contributed by each Partner as of the date hereof is as set forth in Exhibit A.

"Agreement" means this Amended and Restated Agreement of Limited Partnership of the Partnership, as it may be amended, supplemented or restated from time to time.

"Articles of Incorporation" means the Articles of Incorporation of the Company filed in the State of Maryland on September 13, 1994, as amended and restated from time to time.

"Assignee" means a Person to whom one or more Partnership Units have been transferred in a manner permitted under this Agreement, but who has not become a Substituted Limited Partner, and who has the rights set forth in Section 11.5.

"Available Cash" means, with respect to any period for which such calculation is being made,

(i) the sum of:

(a) the Partnership's Net Income or Net Loss (as the case may be) for such period (without regard to adjustments resulting from allocations described in Sections 1.A through 1.E of Exhibit C);

(b) Depreciation and all other noncash charges deducted in determining Net Income or Net Loss for such period;

(c) the amount of any reduction in the reserves of the Partnership referred to in clause (ii)(f) below (including, without limitation, reductions resulting because the General Partner determines such amounts are no longer necessary);

(d) the excess of proceeds from the sale, exchange, disposition, or refinancing of Partnership property for such period over the gain recognized from such sale, exchange, disposition, or refinancing during such period (excluding Terminating Capital Transactions); and

(e) all other cash received by the Partnership for such period that was not included in determining Net Income or Net Loss for such period; less

(ii) the sum of:

(a) all principal debt payments made by the Partnership during such period;

(b) capital expenditures made by the Partnership during such period;

(c) investments made by the Partnership during such period in any entity (including loans made thereto) to the extent that such investments are not otherwise described in clause (ii)(a) or (ii)(b);

(d) all other expenditures and payments not deducted in determining Net Income or Net Loss for such period;

(e) any amount included in determining Net Income or Net Loss for such period that was not received by the Partnership during such period;

(f) the amount of any increase in reserves during such period which the General Partner determines to be necessary or appropriate in its sole and absolute discretion; and

(g) the amount of any working capital accounts and other cash or similar balances which the General Partner determines to be necessary or appropriate, in its sole and absolute discretion.

Notwithstanding the foregoing, Available Cash shall not include any cash received or reductions in reserves, or take into account any disbursements made or reserves established, after commencement of the dissolution and liquidation of the Partnership.

"Book-Tax Disparities" means, with respect to any item of Contributed Property or Adjusted Property, as of the date of any determination, the difference between the Carrying Value of such Contributed Property or Adjusted Property and the adjusted basis thereof for federal income tax purposes as of such date. A Partner's share of the Partnership's Book-Tax Disparities in all of its Contributed Property and Adjusted Property will be reflected by the difference between such Partner's Capital Account balance as maintained pursuant to Exhibit B and the hypothetical balance of such Partner's Capital Account computed as if it had been maintained strictly in accordance with federal income tax accounting principles.

"Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to close.

"Capital Account" means the Capital Account maintained for a Partner pursuant to Exhibit B hereof.

"Capital Contribution" means, with respect to any Partner, any cash, cash equivalents or the Agreed Value of Contributed Property which such Partner contributes or is deemed to contribute to the Partnership pursuant to Section 4.1, 4.2, or 4.3 hereof.

"Carrying Value" means (i) with respect to a Contributed Property or Adjusted Property, the 704(c) Value of such property,

reduced (but not below zero) by all Depreciation with respect to such property charged to the Partners' Capital Accounts following the contribution of or adjustment with respect to such property; and (ii) with respect to any other Partnership property, the adjusted basis of such property for federal income tax purposes, all as of the time of determination. The Carrying Value of any property shall be adjusted from time to time in accordance with Exhibit B hereof, and to reflect changes, additions or other adjustments to the Carrying Value for dispositions and acquisitions of Partnership properties, as deemed appropriate by the General Partner.

"Cash Amount" means an amount of cash per Partnership Unit equal to the Value on the Valuation Date of the REIT Shares Amount.

"Certificate" means the Certificate of Limited Partnership of the Partnership as filed in the office of the Delaware Secretary of State on September 28, 1994, as amended from time to time in accordance with the terms hereof and the Act.

"Code" means the Internal Revenue Code of 1986, as amended and in effect from time to time, as interpreted by the 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.

"Consent" means the consent or approval of a proposed action by a Partner given in accordance with Section 14.2 hereof.

"Contributed Property" means each property or other asset, in such form as may be permitted by the Act (but excluding cash), contributed or deemed contributed to the Partnership (including deemed contributions to the Partnership on termination and reconstitution thereof pursuant to Section 708 of the Code). Once the Carrying Value of a Contributed Property is adjusted pursuant to Exhibit B hereof, such property shall no longer constitute a Contributed Property for purposes of Exhibit B hereof, but shall be deemed an Adjusted Property for such purposes.

"Conversion Factor" means 1.0, subject to adjustment as follows: (i) in case the General Partner shall (A) pay or make a dividend or other distribution on the outstanding REIT Shares in REIT Shares, (B) subdivide or reclassify the outstanding REIT Shares into a greater number of REIT Shares, or (C) combine or reclassify the outstanding REIT Shares into a smaller number of REIT Shares, the Conversion Factor in effect at the opening of business on the day following the date fixed for the determination of shareholders entitled to receive such dividend or other distribution or subject to such subdivision, combination

or reclassification shall be proportionately adjusted so that a holder of Partnership Units shall be entitled to receive, upon exchange thereof, the number of REIT Shares which the holder would have owned at the opening of business on the day following the date fixed for such determination had such Units been exchanged immediately prior to such determination; (ii) in case the Partnership shall subdivide or reclassify the outstanding Partnership Units into a greater number of Partnership Units, the Conversion Factor in effect at the opening of business on the day following the date fixed for the determination of Partnership Unit holders subject to such subdivision or reclassification shall be proportionately adjusted so that a holder of Partnership Units shall be entitled to receive, upon exchange thereof, the number of REIT Shares which the holder would have owned at the opening of business on the day following the date fixed for such determination had such Partnership Units been exchanged immediately prior to such determination; (iii) in case the General Partner (A) shall issue rights or warrants to all holders of REIT Shares entitling them to subscribe for or purchase REIT Shares at a price per share less than the daily market price per REIT Share (determined as specified under the definition of "Value" set forth in this Article I) on the date fixed for the determination of shareholders entitled to receive such rights or warrants, (B) shall not issue similar rights or warrants to all holders of Partnership Units entitling them to subscribe for or purchase REIT Shares or Partnership Units at a comparable price (determined, in the case of Partnership Units, by reference to the Conversion Factor), and (C) cannot issue such rights or warrants to a Redeeming Partner as otherwise required by the definition of "REIT Shares Amount" set forth in this Article I, then the Conversion Factor in effect at the opening of business on the day following the date fixed for such determination shall be increased by multiplying such Conversion Factor by a fraction of which the numerator shall be the number of REIT Shares outstanding at the close of business on the date fixed for such determination plus the number of REIT Shares so offered for subscription or purchase, and of which the denominator shall be the number of REIT Shares outstanding at the close of business on the date fixed for such determination plus the number of REIT Shares which the aggregate offering price of the total number of REIT Shares so offered for subscription would purchase at such daily market price per share, such increase of the Conversion Factor to become effective immediately after the opening of business on the day following the date fixed for such determination; and (iv) in case the General Partner shall, by dividend or otherwise, distribute to all holders of its common stock, (A) shares of capital stock of any class other than its common stock, (B) evidence of its indebtedness or (C) assets (excluding any rights or warrants referred to in clause (iii) above, any cash dividend or distribution lawfully paid under the

laws of the state of incorporation of the General Partner, and any dividend or distribution referred to in clause (i) above) and shall not cause a corresponding distribution to be made to all holders of Partnership Units, the Conversion Factor shall be adjusted so that the same shall equal the ratio determined by multiplying the Conversion Factor in effect immediately prior to the close of business on the date fixed for the determination of shareholders entitled to receive such distribution by a fraction of which the numerator shall be the daily market price per REIT Share on the date fixed for such determination, and of which the denominator shall be such daily market price per REIT Share less the fair market value (as determined by the Board of Directors of the General Partner, whose determination shall be conclusive and described in a Board resolution certified by the Secretary of the General Partner and delivered to the holders of the Partnership Units) of the portion of the shares of capital stock or evidences of indebtedness or assets so distributed applicable to one REIT Share, such adjustment to become effective immediately prior to the opening of business on the day following the date fixed for the determination of shareholders entitled to receive such distribution.

"Depreciation" means, for each taxable year, an amount equal to the federal income tax depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such year, except that if the Carrying Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Carrying Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such year bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization, or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Carrying Value using any reasonable method selected by the General Partner.

"Effective Date" means the date of closing of the initial public offering of REIT Shares pursuant to that certain underwriting agreements among the Company and the underwriters named therein.

"Financing Partnership" means Reckson FS Limited Partnership, a Delaware limited partnership formed pursuant to an agreement of limited partnership between the Partnership and the Financing Subsidiary, and any successor thereto.

"Financing Subsidiary" means Reckson FS, Inc., a Delaware corporation, and any successor thereto.

"General Partner" means the Company, in its capacity as the general partner of the Partnership, or any Person who becomes an additional or a successor general partner of the Partnership.

"General Partner Interest" means a Partnership Interest held by the General Partner, in its capacity as general partner of the Partnership. A General Partner Interest may be expressed as a number of Partnership Units.

"IRS" means the Internal Revenue Service, which administers the internal revenue laws of the United States.

"Immediate Family" means, with respect to any natural Person, such natural Person's spouse and such natural Person's natural or adoptive parents, descendants, nephews, nieces, brothers, and sisters.

"Incapacity" or "Incapacitated" means, (i) as to any individual Partner, death, total physical disability or entry by a court of competent jurisdiction adjudicating him incompetent to manage his Person or his estate; (ii) as to any corporation which is a Partner, the filing of a certificate of dissolution, or its equivalent, for the corporation or the revocation of its charter; (iii) as to any partnership or limited liability company which is a Partner, the dissolution and commencement of winding up of the partnership; (iv) as to any estate which is a Partner, the distribution by the fiduciary of the estate's entire interest in the Partnership; (v) as to any trustee of a trust which is a Partner, the termination of the trust (but not the substitution of a new trustee); or (vi) as to any Partner, the bankruptcy of such Partner. For purposes of this definition, bankruptcy of a Partner shall be deemed to have occurred when (a) the Partner commences a voluntary proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law now or hereafter in effect; (b) the Partner is adjudged as bankrupt or insolvent, or a final and nonappealable order for relief under any bankruptcy, insolvency or similar law now or hereafter in effect has been entered against the Partner; (c) the Partner executes and delivers a general assignment for the benefit of the Partner's creditors; (d) the Partner files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Partner in any proceeding of the nature described in clause (b) above; (e) the Partner seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator for the Partner or for all or any substantial part of the Partner's properties; (f) any proceeding seeking liquidation, reorganization or other relief of or against such Partner under any bankruptcy, insolvency or other similar law now or hereafter in effect has not been dismissed within one hundred twenty (120)

days after the commencement thereof; (g) the appointment without the Partner's consent or acquiescence of a trustee, receiver or liquidator has not been vacated or stayed within ninety (90) days of such appointment; or (h) an appointment referred to in clause (g) which has been stayed is not vacated within ninety (90) days after the expiration of any such stay.

"Indemnitee" means (i) any Person made a party to a proceeding by reason of (A) his status as the General Partner, or as a director, officer, stockholder, partner, member, employee, representative or agent of the General Partner or as an officer, employee, representative or agent of the Partnership, or (B) his or its liabilities, pursuant to a loan guarantee or otherwise, for any indebtedness of the Partnership or any Subsidiary of the Partnership (including, without limitation, any indebtedness which the Partnership or any Subsidiary of the Partnership has assumed or taken assets subject to); and (ii) such other Persons (including Affiliates of the General Partner or the Partnership) as the General Partner may designate from time to time (whether before or after the event giving rise to potential liability), in its sole and absolute discretion.

"Limited Partner" means the Company and any other Person named as a limited partner of the Partnership in Exhibit A attached hereto, as such Exhibit may be amended from time to time, or any Substituted Limited Partner or Additional Limited Partner, in such Person's capacity as a limited partner of the Partnership. For purposes of this Agreement and the Act, the Limited Partners shall constitute a single class or group of limited partners.

"Limited Partner Interest" means a Partnership Interest of a Limited Partner in the Partnership representing a fractional part of the Partnership Interests of all Partners and includes any and all benefits to which the holder of such a Partnership Interest may be entitled, as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. A Limited Partner Interest may be expressed as a number of Partnership Units.

"Liquidating Event" has the meaning set forth in Section 13.1.

"Liquidator" has the meaning set forth in Section 13.2.

"Net Income" means, for any taxable period, the excess, if any, of the Partnership's items of income and gain for such taxable period over the Partnership's items of loss and deduction for such taxable period. The items included in the calculation of Net Income shall be determined in accordance with federal income

tax accounting principles, subject to the specific adjustments provided for in Exhibit B.

"Net Loss" means, for any taxable period, the excess, if any, of the Partnership's items of loss and deduction for such taxable period over the Partnership's items of income and gain for such taxable period. The items included in the calculation of Net Loss shall be determined in accordance with federal income tax accounting principles, subject to the specific adjustments provided for in Exhibit B.

"Nonrecourse Built-in Gain" means, with respect to any Contributed Properties or Adjusted Properties that are subject to a mortgage or negative pledge securing a Nonrecourse Liability, the amount of any taxable gain that would be allocated to the Partners pursuant to Section 2.B(1)(a), 2.B(2)(a)(1) and 2.B(2)(a)(2) (to the extent reflecting Section 2.B(1)(a)) of Exhibit C if such properties were disposed of in a taxable transaction in full satisfaction of such liabilities and for no other consideration.

"Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(b)(1), and the amount of Nonrecourse Deductions for a Partnership taxable year shall be determined in accordance with the rules of Regulations Section 1.704-2(c).

"Nonrecourse Liability" has the meaning set forth in Regulations Section 1.752-1(a)(2).

"Notice of Redemption" means the Notice of Redemption substantially in the form of Exhibit D to this Agreement.

"Partner" means a General Partner or a Limited Partner, and "Partners" means the General Partner and the Limited Partners collectively.

"Partner Minimum Gain" means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

"Partner Nonrecourse Debt" has the meaning set forth in Regulations Section 1.704-2(b)(4).

"Partner Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(i)(2), and the amount of Partner Nonrecourse Deductions with respect to a Partner Nonrecourse Debt for a Partnership taxable year shall be determined in accordance with the rules of Regulations Section 1.704-2(i)(2).

"Partnership" means the limited partnership heretofore formed and continued under the Act and pursuant to this Agreement, and any successor thereto.

"Partnership Interest" means an ownership interest in the Partnership representing a Capital Contribution by either a Limited Partner or the General Partner and includes any and all benefits to which the holder of such a Partnership Interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. A Partnership Interest may be expressed as a number of Partnership Units.

"Partnership Minimum Gain" has the meaning set forth in Regulations Section 1.704-2(b)(2), and the amount of Partnership Minimum Gain, as well as any net increase or decrease in a Partnership Minimum Gain, for a Partnership taxable year shall be determined in accordance with the rules of Regulations Section 1.704-2(d).

"Partnership Record Date" means the record date established by the General Partner for the distribution of Available Cash pursuant to Section 5.1 hereof, which record date shall be the same as the record date established by the Company for a distribution to its shareholders of some of all of its portion of such distribution.

"Partnership Unit" means a fractional, undivided share of the Partnership Interests of all Partners issued pursuant to Sections 4.1, 4.2 and 4.3. The number of Partnership Units outstanding and the Percentage Interest in the Partnership represented by such Units are set forth in Exhibit A attached hereto, as such Exhibit may be amended from time to time. The ownership of Partnership Units shall be evidenced by such form of certificate for units as the General Partner adopts from time to time unless the General Partner determines that the Partnership Units shall be uncertificated securities.

"Partnership Year" means the fiscal year of the Partnership, which shall be the calendar year.

"Percentage Interest" means, as to a Partner, its interest in the Partnership as determined by dividing the Partnership Units owned by such Partner by the total number of Partnership Units then outstanding and as specified in Exhibit A attached hereto, as such Exhibit may be amended from time to time.

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

"Recapture Income" means any gain recognized by the Partnership upon the disposition of any property or asset of the Partnership, which gain is characterized as ordinary income because it represents the recapture of deductions previously taken with respect to such property or asset.

"Redeeming Partner" has the meaning set forth in Section 8.6 hereof.

"Redemption Right" shall have the meaning set forth in Section 8.6 hereof.

"Regulations" means the Income Tax Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"REIT" means a real estate investment trust under Section 856 of the Code.

"REIT Share" shall mean a share of common stock of the Company, par value $.01 per share.

"REIT Shares Amount" shall mean a number of REIT Shares equal to the product of the number of Partnership Units offered for redemption by a Redeeming Partner, multiplied by the Conversion Factor, provided that in the event the Company issues to all holders of REIT Shares rights, options, warrants or convertible or exchangeable securities entitling the shareholders to subscribe for or purchase REIT Shares, or any other securities or property (collectively, the "rights"), and the Company can issue such rights to the Redeeming Partner, then the REIT Shares Amount shall also include such rights that a holder of that number of REIT Shares would be entitled to receive.

"Residual Gain" or "Residual Loss" means any item of gain or loss, as the case may be, of the Partnership recognized for federal income tax purposes resulting from a sale, exchange or other disposition of Contributed Property or Adjusted Property, to the extent such item of gain or loss is not allocated pursuant to Section 2.B.1(a) or 2.B.2(a) of Exhibit C to eliminate Book-Tax Disparities.

"704(c) Value" of any Contributed Property means the fair market value of such property or other consideration at the time of contribution, as determined by the General Partner using such reasonable method of valuation as it may adopt; provided, however, that the 704(c) Value of any property deemed contributed to the Partnership for federal income tax purposes upon termination and reconstitution thereof pursuant to Section 708 of

the Code shall be determined in accordance with Exhibit B hereof. Subject to Exhibit B hereof, the General Partner shall, in its sole and absolute discretion, use such method as it deems reasonable and appropriate to allocate the aggregate of the 704(c) Values of Contributed Properties in a single or integrated transaction among the separate properties on a basis proportional to their respective fair market values.

"Specified Redemption Date" means the tenth (10th) Business Day after receipt by the Company of a Notice of Redemption; provided that no Specified Redemption Date shall occur before two (2) years from the date of this Agreement, provided further that if the Company combines its outstanding REIT Shares, no Specified Redemption Date shall occur after the record date of such combination of REIT Shares and prior to the effective date of such combination.

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited liability company or other entity of which a majority of (i) the voting power of the voting equity securities; or (ii) the outstanding equity interests, is owed, directly or indirectly, by such Person.

"Substituted Limited Partner" means a Person who is admitted as a Limited Partner to the Partnership pursuant to Section 11.4.

"Terminating Capital Transaction" means any sale or other disposition of all or substantially all of the assets of the Partnership or a related series of transactions that, taken together, result in the sale or other disposition of all or substantially all of the assets of the Partnership but shall not include any contribution of assets to the Financing Partnership.

"Unrealized Gain" attributable to any item of Partnership property means, as of any date of determination, the excess, if any, of (i) the fair market value of such property (as determined under Exhibit B hereof) as of such date; over (ii) the Carrying Value of such property (prior to any adjustment to be made pursuant to Exhibit B hereof) as of such date.

"Unrealized Loss" attributable to any item of Partnership property means, as of any date of determination, the excess, if any, of (i) the Carrying Value of such property (prior to any adjustment to be made pursuant to Exhibit B hereof) as of such date; over (ii) the fair market value of such property (as determined under Exhibit B hereof) as of such date.

"Valuation Date" means the date of receipt by the General Partner of a Notice of Redemption or, if such date is not a Business Day, the first Business Day thereafter.

"Value" means, with respect to a REIT Share, the average of the daily market price (the "daily market price") for the ten (10) consecutive trading days immediately preceding the Valuation Date. The daily market price for each such trading day shall be: (i) if the REIT Shares are listed or admitted to trading on any securities exchange or the NASDAQ-National Market System, the closing price on such day, or if no such sale takes place on such day, the average of the closing bid and asked prices on such day; (ii) if the REIT Shares are not listed or admitted to trading on any securities exchange or the NASDAQ-National Market System, the last reported sale price on such day or, if no sale takes place on such day, the average of the closing bid and asked prices on such day, as reported by a reliable quotation source designated by the General Partner; or (iii) if the REIT Shares are not listed or admitted to trading on any securities exchange or the NASDAQ-National Market System and no such last reported sale price or closing bid and asked prices are available, the average of the reported high bid and low asked prices on such day, as reported by a reliable quotation source designated by the General Partner, or if there shall be no bid and asked prices on such day, the average of the high bid and low asked prices, as so reported, on the most recent day (not more than ten (10) days prior to the date in question) for which prices have been so reported; provided that if there are no bid and asked prices reported during the ten (10) days prior to the date in question, the Value of the REIT Shares shall be determined by the General Partner acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate. In the event the REIT Shares Amount includes rights that a holder of REIT Shares would be entitled to receive, then the Value of such rights shall be determined by the General Partner acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate.

ARTICLE 2
ORGANIZATIONAL MATTERS

Section 2.1. Continuation

The Partners hereby continue the Partnership as a limited partnership under and pursuant to the Act. Except as expressly provided herein to the contrary, the rights and obligations of the Partners and the administration and termination of the Partnership shall be governed by the Act. The Partnership Interest of each Partner shall be personal property for all purposes.

Section 2.2. Name

The name of the Partnership heretofore formed and continued hereby shall be Reckson Operating Partnership, L.P. The Partnership's business may be conducted under any other name or names deemed advisable by the General Partner, including the name of the General Partner or any Affiliate thereof. The words "Limited Partnership," "L.P.," "Ltd." or similar words or letters shall be included in the Partnership's name where necessary for the purposes of complying with the laws of any jurisdiction that so requires. The General Partner in its sole and absolute discretion may change the name of the Partnership at any time and from time to time and shall notify the Limited Partners of such change in the next regular communication to the Limited Partners.

Section 2.3. Registered Office and Agent: Principal Office

The address of the registered office of the Partnership in the State of Delaware and the name and address of the registered agent for service of process on the Partnership in the State of Delaware is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801. The principal office of the Partnership shall be 225 Broadhollow Road, Melville, New York 11747, or such other place as the General Partner may from time to time designate by notice to the Limited Partners. The Partnership may maintain offices at such other place or places within or outside the State of Delaware as the General Partner deems advisable.

Section 2.4. Power of Attorney

A. Each Limited Partner and each Assignee hereby constitutes and appoints the General Partner, any Liquidator, and authorized officers and attorneys-in-fact of each, and each of those acting singly, in each case with full power of substitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead to:

(1) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (a) all certificates, documents and other instruments (including, without limitation, this Agreement and the Certificate and all amendments or restatements thereof) that the General Partner or the Liquidator deems appropriate or necessary to form, qualify or continue the existence or qualification of the Partnership as a limited partnership (or a partnership in which the Limited Partners have limited liability) in the State of Delaware and in all other jurisdictions in which the Partnership

may or plans to conduct business or own property; (b) all instruments that the General Partner deems appropriate or necessary to reflect any amendment, change, modification or restatement of this Agreement in accordance with its terms; (c) all conveyances and other instruments or documents that the General Partner or the Liquidator deems appropriate or necessary to reflect the dissolution and liquidation of the Partnership pursuant to the terms of this Agreement, including, without limitation, a certificate of cancellation; (d) all instruments relating to the admission, withdrawal, removal or substitution of any Partner pursuant to, or other events described in, Article 11, 12 or 13 hereof or the Capital Contribution of any Partner; and (e) all certificates, documents and other instruments relating to the determination of the rights, preferences and privileges of Partnership Interest; and

(2) execute, swear to, seal, acknowledge and file all ballots, consents, approvals, waivers, certificates and other instruments appropriate or necessary, in the sole and absolute discretion of the General Partner or any Liquidator, to make, evidence, give, confirm or ratify any vote, consent, approval, agreement or other action which is made or given by the Partners hereunder or is consistent with the terms of this Agreement or appropriate or necessary, in the sole discretion of the General Partner or any Liquidator, to effectuate the terms or intent of this Agreement.

Nothing contained herein shall be construed as authorizing the General Partner or any Liquidator to amend this Agreement except in accordance with Article 14 hereof or as may be otherwise expressly provided for in this Agreement.

B. The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, in recognition of the fact that each of the Partners will be relying upon the power of the General Partner and any Liquidator to act as contemplated by this Agreement in any filing or other action by it on behalf of the Partnership, and it shall survive and not be affected by the subsequent Incapacity of any Limited Partner or Assignee and the transfer of all or any portion of such Limited Partner's or Assignee's Partnership Units and shall extend to such Limited Partner's or Assignee's heirs, successors, assigns and personal representatives. Each such Limited Partner or

Assignee hereby agrees to be bound by any representation made by the General Partner or any Liquidator, acting in good faith pursuant to such power of attorney, and each such Limited Partner or Assignee hereby waives any and all defenses which may be available to contest, negate or disaffirm the action of the General Partner or any Liquidator, taken in good faith under such power of attorney. Each Limited Partner or Assignee shall execute and deliver to the General Partner or the Liquidator, within fifteen (15) days after receipt of the General Partner's or Liquidator's request therefor, such further designation, powers of attorney and other instruments as the General Partner or the Liquidator, as the case may be, deems necessary to effectuate this Agreement and the purposes of the Partnership.

Section 2.5. Term

The term of the Partnership commenced on the date that the Certificate was filed with the Secretary of State of the State of Delaware and shall continue until December 31, 2095, unless the Partnership is dissolved sooner pursuant to the provisions of Article 13 or as otherwise provided by law.

Section 2.6. Admission of Limited Partners

On the date hereof, and upon the execution of this Agreement or a counterpart of this Agreement, each of the Persons identified as a limited partner of the Partnership on Exhibit A to this Agreement (other than Scott H. Rechler who has already been admitted as a limited partner of the Partnership) is hereby admitted to the Partnership as a limited partner of the Partnership.

ARTICLE 3
PURPOSE

Section 3.1. Purpose and Business

The purpose and nature of the business to be conducted by the Partnership is (i) to conduct any business that may be lawfully conducted by a limited partnership formed pursuant to the Act; provided, however, that such business shall be limited to and conducted in such a manner as to permit the Company at all times to be classified as a REIT, unless the Company ceases to qualify as a REIT for reasons other than the conduct of the business of the Partnership; (ii) to enter into any partnership, joint venture or other similar arrangement to engage in any of the foregoing or to own interests in any entity engaged in any of the foregoing; and (iii) to do anything necessary, convenient or incidental to the foregoing. In connection with the foregoing,

and without limiting the Company's right, in its sole discretion, to cease qualifying as a REIT, the Partners acknowledge that the Company's current status as a REIT inures to the benefit of all of the Partners and not solely the General Partner or its Affiliates.

Section 3.2. Powers

The Partnership is empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and business described herein and for the protection and benefit of the Partnership, and shall have, without limitation, any and all of the powers that may be exercised on behalf of the Partnership by the General Partner pursuant to this Agreement; provided, however, that the Partnership shall not take, or refrain from taking, any action which, in the judgment of the General Partner, in its sole and absolute discretion, (i) could adversely affect the ability of the Company to continue to qualify as a REIT; (ii) could subject the Company to any additional taxes under Section 857 or Section 4981 of the Code; or (iii) could violate any law or regulation of any governmental body or agency having jurisdiction over the Company or its securities, unless such action (or inaction) shall have been specifically consented to by the General Partner in writing.

ARTICLE 4
CAPITAL CONTRIBUTIONS

Section 4.1. Capital Contributions of the Partners

At the time of the execution of this Agreement, the Partners shall make the Capital Contributions set forth in Exhibit A to this Agreement, which may be adjusted upon final determination of the 704(c) Values of the assets contributed to Partnership. At the General Partner's direction, certain Capital Contributions may be made by way of transfers to such subsidiaries of the Partnership as the General Partner may identify. To the extent the Partnership acquires any property by the merger of any other Person into the Partnership, Persons who receive Partnership Interests in exchange for their interests in the Person merging into the Partnership shall become Partners and shall be deemed to have made Capital Contributions as provided in the applicable merger agreement and as set forth in Exhibit A, as amended to reflect such deemed Capital Contributions. In consideration for making the Capital Contributions set forth in Exhibit A to this Agreement, each of the Partners shall receive from the Partnership and shall own Partnership Units in the amounts set forth for such Partner in Exhibit A and shall have a Percentage

Interest in the Partnership as set forth in Exhibit A, which Percentage Interest shall be adjusted in Exhibit A from time to time by the General Partner to the extent necessary to reflect accurately redemptions, additional Capital Contributions, the issuance of additional Partnership Units (pursuant to any merger or otherwise), or similar events having an effect on any Partner's Percentage Interest. The number of Partnership Units held by the General Partner, in its capacity as general partner (equal to one percent (1%) of all outstanding Partnership Units from time to time) shall be deemed to be the General Partner Interest. Except as provided in Sections 4.2 and 10.5, the Partners shall have no obligation to make any additional Capital Contributions or loans to the Partnership.

Section 4.2. Issuances of Additional Partnership Interests

A. The General Partner is hereby authorized, without the need for any vote or approval of any Partner or any other Person who may hold Partnership Units or Partnership Interests, to cause the Partnership from time to time to issue to the Partners (including the General Partner) or other Persons additional Partnership Units or other Partnership Interests in one or more classes, or one or more series of any of such classes, or otherwise with such designations, preferences, redemption and conversion rights and relative, participating, optional or other special rights, powers and duties, including rights, powers and duties senior to Limited Partner Interests, all as shall be determined by the General Partner in its sole and absolute discretion subject to Delaware law, including, without limitation, (i) the allocations of items of Partnership income, gain, loss, deduction and credit to each such class or series of Partnership Interests; (ii) the right of each such class or series of Partnership Interests to share in Partnership distributions; and (iii) the rights of each such class or series of Partnership Interests upon dissolution and liquidation of the Partnership; provided that no such additional Partnership Units or other Partnership Interests shall be issued to the Company, as the General Partner or a Limited Partner, unless either (a)(1) the additional Partnership Interests are issued in connection with an issuance of REIT Shares or other shares by the Company, which shares have designations, preferences and other rights such that the economic interests attributable to such shares are substantially similar to the designations, preferences and other rights of the additional Partnership Interests issued to the Company in accordance with this Section 4.2.A, and (2) the Company shall make a Capital Contribution to the Partnership in an amount equal to the proceeds raised in connection with such issuance or (b) the additional Partnership Interests are issued to all Partners in proportion to their respective Percentage Interests. In addition, the Company may acquire Units from other Partners pursuant to this Agreement.

B. After the initial public offering of REIT Shares, the Company shall not issue any additional REIT Shares (other than REIT Shares issued pursuant to Section 8.6), or rights, options, warrants or convertible or exchangeable securities containing the right to subscribe for or purchase REIT Shares (collectively "New Securities") other than to all holders of REIT Shares unless (i) the General Partner shall cause the Partnership to issue to the Company, Partnership Interests or rights, options, warrants or convertible or exchangeable securities of the Partnership having designations, preferences and other rights, all such that the economic interests (when combined with any additional economic interests in the Financing Partnership issued to the Financing Subsidiary contemporaneously) are substantially similar to those of the New Securities; and (ii) the Company contributes to the Partnership (and to the Financing Subsidiary for contribution to the Financing Partnership) the proceeds from the issuance of such New Securities and from the exercise of rights contained in such New Securities. Without limiting the foregoing, the Company is expressly authorized to issue New Securities for less than fair market value, and the General Partner is expressly authorized to cause the Partnership to issue to the Company corresponding Partnership Interests, so long as (x) the General Partner concludes in good faith that such issuance is in the interests of the Company and the Partnership (for example, and not by way of limitation, the issuance of REIT Shares and corresponding Units pursuant to an employee stock purchase plan providing for employee purchases of REIT Shares at a discount from fair market value or employee stock options that have an exercise price that is less than the fair market value of the REIT Shares, either at the time of issuance or at the time of exercise); and (y) the Company contributes all proceeds from such issuance and exercise to the Partnership (and to the Financing Subsidiary for contribution to the Financing Partnership).

Section 4.3. Contribution of Proceeds of Issuance of REIT Shares

In connection with the initial public offering of REIT Shares by the Company and any other issuance of REIT Shares or New Securities pursuant to Section 4.2, the Company shall contribute to the Partnership (and to the Financing Subsidiary for contribution to the Financing Partnership) any proceeds (or a portion thereof) raised in connection with such issuance; provided that if the proceeds actually received by the Company are less than the gross proceeds of such issuance as a result of any underwriter's discount or other expenses paid or incurred in connection with such issuance, then the Company shall be deemed to have made a Capital Contribution to the Partnership (and a capital contribution to the Financing Subsidiary for contribution to the Financing Partnership) in the amount equal to the sum of

the net proceeds of such issuance plus the amount of such underwriter's discount and other expenses paid by the Company (which discount and expense shall be treated as an expense for the benefit of the Partnership in accordance with Section 7.4). In the case of employee purchases of New Securities at a discount from fair market value, the amount of such discount representing compensation to the employee, as determined by the General Partner, shall be treated as an expense of the issuance of such New Securities.

Section 4.4. Preemptive Rights

No Person shall have any preemptive, preferential or other similar right with respect to (i) additional Capital Contributions or loans to the Partnership; or (ii) issuance or sale of any Partnership Units or other Partnership Interests.

ARTICLE 5
DISTRIBUTIONS

Section 5.1. Requirement and Characterization of Distributions

The General Partner shall distribute at least quarterly an amount equal to 100% of Available Cash generated by the Partnership during such quarter or shorter period to the Partners who are Partners on the Partnership Record Date with respect to such quarter or shorter period in accordance with their respective Percentage Interests on such Partnership Record Date; provided that in no event may a Partner receive a distribution of Available Cash with respect to a Partnership Unit if such Partner is entitled to receive a distribution out of such Available Cash with respect to a REIT Share for which such Partnership Unit has been exchanged and such distribution shall be made to the Company. The General Partner shall take such reasonable efforts, as determined by it in its sole and absolute discretion and consistent with the Company's qualification as a REIT, to distribute Available Cash to the Limited Partners so as to preclude any such distribution or portion thereof from being treated as part of a sale of property to the Partnership by a Limited Partner under Section 707 of the Code or the Regulations thereunder; provided that the General Partner and the Partnership shall not have liability to a Limited Partner under any circumstances as a result of any distribution to a Limited Partner being so treated.

Section 5.2. Amounts Withheld

All amounts withheld pursuant to the Code or any provisions of any state or local tax law and Section 10.5 hereof with respect to any allocation, payment or distribution to the Partners or Assignees shall be treated as amounts distributed to the Partners or Assignees pursuant to Section 5.1 for all purposes under this Agreement.

Section 5.3. Distributions Upon Liquidation

Proceeds from a Terminating Capital Transaction and any other cash received or reductions in reserves made after commencement of the liquidation of the Partnership shall be distributed to the Partners in accordance with Section 13.2.

Section 5.4. Restricted Distributions

Notwithstanding any provision to the contrary contained in this Agreement, the Partnership, and the General Partner on behalf of the Partnership, shall not make a distribution to any Partner on account of its interest in the Partnership if such distribution would violate Section 17-607 of the Act or other applicable law.

ARTICLE 6
ALLOCATIONS

Section 6.1. Allocations For Capital Account Purposes

For purposes of maintaining the Capital Accounts and in determining the rights of the Partners among themselves, the Partnership's items of income, gain, loss and deduction (computed in accordance with Exhibit B hereof) shall be allocated among the Partners in each taxable year (or portion thereof) as provided herein below.

A. After giving effect to the special allocations set forth in Section 1 of Exhibit C attached hereto, Net Income shall be allocated (i) first, to the General Partner to the extent that Net Losses previously allocated to the General Partner pursuant to the last sentence of Section 6.1.B exceed Net Income previously allocated to the General Partner pursuant to this clause (i) of Section 6.1.A; and (ii) thereafter, Net Income shall be allocated to the Partners in accordance with their respective Percentage Interests.

B. After giving effect to the special allocations set forth in Section 1 of Exhibit C attached hereto, Net Losses shall be allocated to the Partners in accordance with their respective

Percentage Interests; provided that Net Losses shall not be allocated to any Limited Partner pursuant to this Section 6.1.B to the extent that such allocation would cause such Limited Partner to have an Adjusted Capital Account Deficit at the end of such taxable year (or increase any existing Adjusted Capital Account Deficit). All Net Losses in excess of the limitations set forth in this Section 6.1.B shall be allocated to the General Partner.

C. For purposes of Regulations Section 1.752-3(a), the Partners agree that Nonrecourse Liabilities of the Partnership in excess of the sum of (i) the amount of Partnership Minimum Gain and (ii) the total amount of Nonrecourse Built-in Gain shall be allocated among the Partners in accordance with their respective Percentage Interests.

D. Any gain allocated to the Partners upon the sale or other taxable disposition of any Partnership asset shall, to the extent possible, after taking into account other required allocations of gain pursuant to Exhibit C, be characterized as Recapture Income in the same proportions and to the same extent as such Partners have been allocated any deductions directly or indirectly giving rise to the treatment of such gains as Recapture Income.

ARTICLE 7
MANAGEMENT AND OPERATIONS OF BUSINESS

Section 7.1. Management

A. Except as otherwise expressly provided in this Agreement, all management powers over the business and affairs of the Partnership are and shall be exclusively vested in the General Partner, and no Limited Partner shall have any right to participate in or exercise control or management power over the business and affairs of the Partnership. The General Partner may not be removed by the Limited Partners with or without cause. In addition to the powers now or hereafter granted a general partner of a limited partnership under applicable law or which are granted to the General Partner under any other provision of this Agreement, the General Partner, subject to Section 7.3 hereof, shall have full power and authority to do all things deemed necessary, desirable or convenient by it to conduct the business of the Partnership, to exercise all powers set forth in Section 3.2 hereof and to effectuate the purposes set forth in Section 3.1 hereof, including, without limitation:

(1) the making of any expenditures, the lending or borrowing of money (including, without limitation,

making prepayments on loans and borrowing money to permit the Partnership to make distributions to its Partners in such amounts as will permit the Company (so long as the Company qualifies as a REIT) to avoid the payment of any federal income tax (including, for this purpose, any excise tax pursuant to Section 4981 of the Code) and to make distributions to its stockholders in amounts sufficient to permit the Company to maintain REIT status), the assumption or guarantee of, or other contracting for, indebtedness and other liabilities, the issuance of evidence of indebtedness (including the securing of the same by deed, mortgage, deed of trust or other lien or encumbrance on the Partnership's assets) and the incurring of any obligations it deems necessary for the conduct of the activities of the Partnership;

(2) the making of tax, regulatory and other filings, or rendering of periodic or other reports to governmental or other agencies having jurisdiction over the business or assets of the Partnership;

(3) the acquisition, disposition, mortgage, pledge, encumbrance, hypothecation or exchange of any assets of the Partnership (including the exercise or grant of any conversion, option, privilege, or subscription right or other right available in connection with any assets at any time held by the Partnership) or the merger or other combination of the Partnership with or into another entity (all of the foregoing subject to any prior approval only to the extent required by Section 7.3 hereof);

(4) the use of the assets of the Partnership (including, without limitation, cash on hand) for any purpose consistent with the terms of this Agreement and on any terms it sees fit, including, without limitation, the financing of the conduct of the operations of the Company, the Partnership or any of the Partnership's Subsidiaries, the lending of funds to other Persons (including, without limitation, the Subsidiaries of the Partnership and/or the Company) and the repayment of obligations of the Partnership and its Subsidiaries and any other Person in which it has an equity investment, and the making of capital contributions to its Subsidiaries;

(5) the management, operation, leasing, landscaping, repair, alteration, demolition, disposition or improvement of any real property or improvements owed by the Partnership or any Subsidiary of the Partnership;

(6) the negotiation, execution, delivery and performance of any contracts, conveyances or other instruments that the General Partner considers useful or necessary or convenient to the conduct of the Partnership's operations or the implementation of the General Partner's powers under this Agreement, including contracting with contractors, developers, consultants, accountants, legal counsel, other professional advisors and other agents and the payment of their expenses and compensation out of the Partnership's assets;

(7) the distribution of Partnership cash or other Partnership assets in accordance with this Agreement;

(8) holding, managing, investing and reinvesting cash and other assets of the Partnership;

(9) the collection and receipt of revenues and income of the Partnership;

(10) the establishment of one or more divisions of the Partnership, the selection and dismissal of employees of the Partnership (including, without limitation, employees who may be designated as officers with titles such as "president," "vice president," "secretary" and "treasurer" of the Partnership), and agents, outside attorneys, accountants, consultants and contractors of the Partnership, and the determination of their compensation and other terms of employment or hiring;

(11) the maintenance of such insurance for the benefit of the Partnership and the Partners as it deems necessary or appropriate;

(12) the formation of, or acquisition of an interest in, and the contribution of property to, any further limited or general partnerships, limited liability companies, joint ventures or other relationships that it deems desirable (including, without limitation, the acquisition of interests

in, and the contributions of property to, its Subsidiaries and any other Person in which it has an equity investment from time to time);

(13) the control of any matters affecting the rights and obligations of the Partnership, including the settlement, compromise, submission to arbitration or any other form of dispute resolution, or abandonment of, any claim, cause of action, liability, debt or damages, due or owing to or from the Partnership, the commencement or defense of suits, legal proceedings, administrative proceedings, arbitration or other forms of dispute resolution, and the representation of the Partnership in all suits or legal proceedings, administrative proceedings, arbitrations or other forms of dispute resolution, the incurring of legal expense, and the indemnification of any Person against liabilities and contingencies to the extent permitted by law;

(14) the undertaking of any action in connection with the Partnership's direct or indirect investment in its Subsidiaries or any other Person (including, without limitation, the contribution or loan of funds by the Partnership to such Persons);

(15) the determination of the fair market value of any Partnership property distributed in kind using such reasonable method of valuation as the General Partner may adopt;

(16) the exercise, directly or indirectly, through any attorney-in-fact acting under a general or limited power of attorney, of any right, including the right to vote, appurtenant to any asset or investment held by the Partnership;

(17) the exercise of any of the powers of the General Partner enumerated in this Agreement on behalf of or in connection with any Subsidiary of the Partnership or any other Person in which the Partnership has a direct or indirect interest, or jointly with any such Subsidiary or other Person;

(18) the exercise of any of the powers of the General Partner enumerated in this Agreement on behalf of any Person in which the Partnership does not have an interest pursuant to contractual or other arrangements with such Person;

(19) the making, execution, delivery and performance of any and all deeds, leases, notes, mortgages, deeds of trust, security agreements, conveyances, contracts, guarantees, warranties, indemnities, waivers, releases or legal instruments or agreements in writing necessary, appropriate or convenient, in the judgment of the General Partner, for the accomplishment of any of the powers of the General Partner enumerated in this Agreement; and

(20) the issuance of additional Partnership Units and other partnership interests, as appropriate, in connection with Capital Contributions by Additional Limited Partners and additional Capital Contributions by Partners pursuant to Article 4 hereof.

B. Each of the Limited Partners agrees that the General Partner is authorized to execute, deliver and perform the above-mentioned agreements and transactions on behalf of the Partnership without any further act, approval or vote of the Partners, notwithstanding any other provision of this Agreement (except as provided in Section 7.3), the Act or any applicable law, rule or regulation, to the fullest extent permitted under the Act or other applicable law, rule or regulation. The execution, delivery or performance by the General Partner or the Partnership of any agreement authorized or permitted under this Agreement shall not constitute a breach by the General Partner of any duty that the General Partner may owe the Partnership or the Limited Partners or any other Persons under this Agreement or of any duty stated or implied by law or equity.

C. At all times from and after the date hereof, the General Partner may cause the Partnership to establish and maintain at any and all times working capital accounts and other cash or similar balances in such amounts as the General Partner, in its sole and absolute discretion, deems appropriate and reasonable from time to time.

D. In exercising its authority under this Agreement, the General Partner may, but shall be under no obligation to, take into account the tax consequences to any Partner of any action taken by it. The General Partner and the Partnership shall not be liable to a Limited Partner under any circumstances as a result of an income tax liability incurred by such Limited Partner as a result of an action (or inaction) by the General Partner taken pursuant to its authority under this Agreement and in accordance with the terms of Section 7.3.

E. Notwithstanding any other provisions of this Agreement, the Act or any applicable law, rule or regulation, the Partnership and the General Partner on behalf of the Partnership may enter into, and execute, deliver, acknowledge and perform, the Omnibus Option Agreement among the Partnership and the grantors named therein; the Purchase Agreement and Pricing Agreement with respect to the offering of shares of Common Stock of the General Partner, among the Partnership, the General Partner and the underwriters named therein; the Second Amended and Restated Agreement of Limited Partnership of Omni Partners, L.P., among the Partnership, as a general partner, and the other partners thereto; the Options to Purchase and Option to Purchase Agreements relating to the Option Properties (as defined in the Prospectus relating to the initial public offering of REIT Shares); the Loan Agreement, among the Partnership, Salomon Brothers Realty Corp. and the Collateral Agent named therein; the Guarantor Pledge Agreement, among the Partnership, Reckson FS, Inc. and Salomon Brothers Realty Corp.; the Supplemental Representations, Warranties and Indemnity Agreement among the Partnership, the General Partner and the indemnitors named therein; the Pledge and Security Agreement, among the Partnership, the General Partner and Donald Rechler, Roger Rechler, Scott Rechler and Mitchell Rechler; the Agreement of Lease between the Partnership and Reckson Executive Centers, L.L.C.; the Amended and Restated Agreement of Limited Partnership of the Financing Partnership, between the Partnership and the Financing Subsidiary; the Limited Liability Operating Agreement of Reckson Executive Centers L.L.C., among the Partnership and other members of such company; the Pledge and Security Agreement, made by Reckom, Inc. and HMCC Associates, L.P. to Odyli, Inc. and Odyssey Partners, L.P. and consented to by the Partnership and the General Partner; and the Guaranty, made by the Partnership and the General Partner to Odyli, Inc. and Odyssey Partners, L.P.; and any loan agreements or modification thereof, any indemnity agreement, and any other agreements or instruments contemplated by or referred to in any of the foregoing documents or referred to in the prospectus with respect to the initial public offering of the shares of common stock of the General Partner.

Section 7.2. <u>Certificate of Limited Partnership</u>

The General Partner has filed the Certificate with the Secretary of State of Delaware as required by the Act. The General Partner shall use all reasonable efforts to cause to be filed such other certificates or documents as may be reasonable and necessary or appropriate for the formation, continuation, qualification and operation of a limited partnership (or a partnership in which the limited partners have limited liability) in the State of Delaware and any other state, or the District of

Columbia, in which the Partnership may elect to do business or own property. To the extent that such action is determined by the General Partner to be reasonable and necessary or appropriate or convenient, the General Partner shall file amendments to and restatements of the Certificate and do all of the things to maintain the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) under the laws of the State of Delaware and each other state, or the District of Columbia, in which the Partnership may elect to do business or own property. Subject to the terms of Section 8.5.A(4) hereof, the General Partner shall not be required, before or after filing, to deliver or mail a copy of the Certificate or any amendment thereto or restatement thereof to any Limited Partner.

Section 7.3. Restrictions on General Partner Authority

A. The General Partner may not take any action in contravention of an express prohibition or limitation of this Agreement without the written Consent of Limited Partners holding a majority of the Percentage Interests of the Limited Partners (including Limited Partner Interests held by the Company), or such other percentage of the Limited Partners as may be specifically provided for under a provision of this Agreement.

B. Except as provided in Article 13 hereof, during the five year period following the initial public offering of REIT shares the General Partner may not cause the Partnership to engage in a Terminating Capital Transaction (including by way of merger, consolidation or other combination with any other Person), without the Consent of Limited Partners holding 85% or more of the Percentage Interests of the Limited Partners (including Limited Partnership Interests held by the Company). Upon expiration of such five year period, such 85% percentage shall be reduced to 50%.

Section 7.4. Reimbursement of the General Partner and the Company

A. Except as provided in this Section 7.4 and elsewhere in this Agreement (including the provisions of Articles 5 and 6 regarding distributions, payments, and allocations to which it may be entitled), the General Partner shall not be compensated for its services as general partner of the Partnership.

B. The General Partner shall be reimbursed on a monthly basis, or such other basis as it may determine in its sole and absolute discretion, for all expenditures that it incurs relating to the ownership and operation of, or for the benefit of, the Partnership; provided that the amount of any such reimbursement

shall be reduced by any interest earned by the General Partner with respect to bank accounts or other instruments or accounts held by it on behalf of the Partnership, and provided further than the General Partner shall not be reimbursed for any (i) directors fees, (ii) income tax liabilities or (iii) filing or similar fees in connection with maintaining the General Partner's continued corporate existence that are incurred by the General Partner, but the Partners acknowledge that all other expenses of the General Partner are deemed to be for the benefit of the Partnership. Such reimbursement shall be in addition to any reimbursement made as a result of indemnification pursuant to Section 7.7 hereof. Included among the expenditures for which the General Partner shall be entitled to reimbursement hereunder shall be any payments of debt service made by the General Partner, in its capacity as General Partner, as guarantor or otherwise, with respect to indebtedness encumbering any property held by the Partnership.

C. As set forth in Section 4.3, the Company shall be treated as having made a Capital Contribution in the amount of all expenses that it incurs and pays relating to the Company's initial public offering of REIT Shares and any other issuance of REIT Shares or New Securities pursuant to Section 4.2 the proceeds from the issuance of which are contributed to the Partnership (i.e., excluding such issuances to the extent the proceeds thereof are contributed to the Financing Subsidiary).

D. In the event that the Company shall elect to purchase from its shareholders REIT Shares for the purpose of delivering such REIT Shares to satisfy an obligation under any dividend reinvestment program adopted by the Company, any employee stock purchase plan adopted by the Company, or any similar obligation or arrangement undertaken by the Company in the future, the purchase price paid by the Company for such REIT Shares and any other expenses incurred by the Company in connection with such purchase shall be considered expenses of the Partnership and shall be reimbursed to the Company, subject to the condition that: (i) if such REIT Shares subsequently are sold by the Company, the Company shall pay to the Partnership any proceeds received by the Company for such REIT Shares (which sales proceeds shall include the amount of dividends reinvested under any dividend reinvestment or similar program provided that a transfer of REIT Shares for Units pursuant to Section 8.6 would not be considered a sale for such purposes); and (ii) if such REIT Shares are not retransferred by the Company within 30 days after the purchase thereof, the Company, as General Partner, shall cause the Partnership to cancel a number of Partnership Units held by the Company, as a Limited Partner, equal to the product obtained by multiplying the Conversion Factor by the number of such REIT Shares (in which case such reimbursement

shall be treated as a distribution in redemption of Units held by the Company).

Section 7.5. Outside Activities of the General Partner

The General Partner shall not directly or indirectly enter into or conduct any business other than in connection with the ownership, acquisition and disposition of Partnership Interests and the management of the business of the Partnership, and such activities as are incidental thereto. The General Partner and any Affiliates of the General Partner may acquire Limited Partner Interests and shall be entitled to exercise all rights of a Limited Partner relating to such Limited Partner Interests.

Section 7.6. Contracts with Affiliates

A. The Partnership may lend or contribute funds or other assets to its Subsidiaries or other Persons in which it has an equity investment and such Persons may borrow funds from the Partnership, on terms and conditions established in the sole and absolute discretion of the General Partner. The foregoing authority shall not create any right or benefit in favor of any Subsidiary or any other Person.

B. Except as provided in Section 7.5, the Partnership may transfer assets to joint ventures, other partnerships, limited liability companies, corporations or other business entities in which it is or thereby becomes a participant upon such terms and subject to such conditions consistent with this Agreement and applicable law as the General Partner, in its sole and absolute discretion, believes are advisable.

C. Except as expressly permitted by this Agreement, neither the General Partner nor any of its Affiliates shall sell, transfer or convey any property to, or purchase any property from, the Partnership, directly or indirectly, except pursuant to transactions that are determined by the General Partner in good faith to be fair and reasonable.

D. The General Partner, in its sole and absolute discretion and without the approval of the Limited Partners, may propose and adopt, on behalf of the Partnership, employee benefit plans, stock option plans, and similar plans funded by the Partnership for the benefit of employees of the General Partner, the Partnership, Subsidiaries of the Partnership or any Affiliate of any of them in respect of services performed, directly or indirectly, for the benefit of the Partnership, the General Partner, or any Subsidiaries of the Partnership.

E. The General Partner is expressly authorized to enter into, in the name and on behalf of the Partnership, and without the approval of the Limited Partners, a right of first opportunity arrangement and other conflict avoidance agreements with various Affiliates of the Partnership and the General Partner, on such terms as the General Partner, in its sole and absolute discretion, believes are advisable.

Section 7.7. Indemnification

A. To the fullest extent permitted by Delaware law, the Partnership shall indemnify each Indemnitee from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including, without limitation, attorneys fees and other legal fees and expenses), judgments, fines, settlements, and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, that relate to the operations of the Partnership or the Company as set forth in this Agreement, in which such Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, except to the extent such Indemnitee acted in bad faith, or with gross negligence or willful misconduct. Without limitation, the foregoing indemnity shall extend to any liability of any Indemnitee, pursuant to a loan guaranty or otherwise for any indebtedness of the Partnership or any Subsidiary of the Partnership (including without limitation, any indebtedness which the Partnership or any Subsidiary of the Partnership has assumed or taken subject to), and the General Partner is hereby authorized and empowered, on behalf of the Partnership, to enter into one or more indemnity agreements consistent with the provisions of this Section 7.7 in favor of any Indemnitee having or potentially having liability for any such indebtedness. Any indemnification pursuant to this Section 7.7 shall be made only out of the assets of the Partnership, and neither the General Partner nor any Limited Partner shall have any obligation to contribute to the capital of the Partnership, or otherwise provide funds, to enable the Partnership to fund its obligations under this Section 7.7.

B. Reasonable expenses incurred by an Indemnitee who is a party to a proceeding shall be paid or reimbursed by the Partnership in advance of the final disposition of the proceeding, upon receipt by the Partnership of an undertaking by or on behalf of the Indemnitee to repay such amount if it shall be determined that the Indemnitee is not entitled to be indemnified as authorized in Section 7.7.A.

C. The indemnification provided by this Section 7.7 shall be in addition to any other rights to which an Indemnitee or any other Person may be entitled under any agreement, pursuant to any

vote of the Partners, as a matter of law or otherwise, and shall continue as to an Indemnitee who has ceased to serve in such capacity unless otherwise provided in a written agreement pursuant to which such Indemnities are indemnified.

D. The Partnership may, but shall not be obligated to, purchase and maintain insurance, on behalf of the Indemnities and such other Persons as the General Partner shall determine, against any liability that may be asserted against or expenses that may be incurred by such Person in connection with the Partnership's activities, regardless of whether the Partnership would have the power to indemnify such Person against such liability under the provisions of this Agreement.

E. For purposes of this Section 7.7, the Partnership shall be deemed to have requested an Indemnitee to serve as fiduciary of an employee benefit plan whenever the performance by it of its duties to the Partnership also imposes duties on, or otherwise involves services by, it to the plan or participants or beneficiaries of the plan; excise taxes assessed on an Indemnitee with respect to an employee benefit plan pursuant to applicable law shall constitute fines within the meaning of Section 7.7; and actions taken or omitted by the Indemnitee with respect to an employee benefit plan in the performance of its duties for a purpose reasonably believed by it to be in the interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose which is not opposed to the best interests of the Partnership.

F. In no event may an Indemnitee subject any of the Partners to personal liability by reason of the indemnification provisions set forth in this Agreement.

G. An Indemnitee shall not be denied indemnification in whole or in part under this Section 7.7 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

H. The provisions of this Section 7.7 are for the benefit of the Indemnities, their heirs, successors, assigns and administrators and shall not be deemed to create any rights for the benefit of any other Persons. Any amendment, modification or repeal of this Section 7.7 or any provision hereof shall be prospective only and shall not in any way affect the Partnership's liability to any Indemnitee under this Section 7.7, as in effect immediately prior to such amendment, modification, or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment,

modification or repeal, regardless of when such claims may arise or be asserted.

Section 7.8. Liability of the General Partner

A. Notwithstanding anything to the contrary set forth in this Agreement, none of the General Partner, its Affiliates, or any of their respective officers, directors, stockholders, partners, members, employees, representatives or agents or any officer, employee, representative or agent of the Partnership and its Affiliates (individually, a "Covered Person" and collectively, the "Covered Persons") shall be liable for monetary damages to the Partnership, any Partners or any Assignees for losses sustained or liabilities incurred as a result of errors in judgment or of any act or omission if the Covered Person's conduct did not constitute bad faith, gross negligence or willful misconduct.

B. The Limited Partners expressly acknowledge that the General Partner is acting on behalf of the Partnership and the shareholders of the Company collectively, that the General Partner is under no obligation to consider the separate interests of the Limited Partners (except as otherwise provided herein) in deciding whether to cause the Partnership to take (or decline to take) any actions, and that the General Partner shall not be liable for monetary damages for losses sustained, liabilities incurred, or benefits not derived by Limited Partners in connection with such decisions, provided that the General Partner has acted in good faith.

C. Subject to its obligations and duties as General Partner set forth in Section 7.1.A hereof, the General Partner may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its employees and agents. The General Partner shall not be responsible for any misconduct or negligence on the part of any such employee or agent appointed by the General Partner in good faith.

D. Any amendment, modification or repeal of this Section 7.8 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the Covered Person's liability to the Partnership and the Limited Partners under this Section 7.8 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

E. To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or to the Partners, any Covered Person acting under this Agreement or otherwise shall not be liable to the Partnership or to any Partner for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Partners to replace such other duties and liabilities of such Covered Person.

F. Whenever in this Agreement the General Partner is permitted or required to make a decision (i) in its "sole discretion" or "discretion," or under a similar grant of authority or latitude, the General Partner shall be entitled to consider such interests and factors as it desires and may consider its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Partnership or the Limited Partners, or (ii) in its "good faith" or under another express standard, the General Partner shall act under such express standard and shall not be subject to any other or different standards imposed by this Agreement or by law or any other agreement contemplated herein.

Section 7.9. Other Matters Concerning the General Partner

A. The General Partner may rely and shall be protected in acting, or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, or other paper or document believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties.

B. The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers, architects, engineers, environmental consultants and other consultants and advisers selected by it, and any act taken or omitted to be taken in reliance upon the opinion of such Persons as to matters which such General Partner reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.

C. The General Partner shall have the right, in respect of any of its powers or obligations hereunder, to act through any of its duly authorized officers and duly appointed attorneys-in-fact. Each such attorney shall, to the extent provided by the General Partner in the power of attorney, have full power and authority to do and perform all and every act and

duty which is permitted or required to be done by the General Partner hereunder.

D. Notwithstanding any other provisions of this Agreement or the Act, any action of the General Partner on behalf of the Partnership or any decision of the General Partner to refrain from acting on behalf of the Partnership, undertaken in the good faith belief that such action or omission is necessary or advisable in order (i) to protect the ability of the Company to continue to qualify as a REIT; or (ii) to avoid the Company incurring any taxes under Section 857 or Section 4981 of the Code, is expressly authorized under this Agreement and is deemed approved by all of the Limited Partners.

Section 7.10. <u>Title to Partnership Assets</u>

Title to Partnership assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner, individually or collectively, shall have any ownership interest in such Partnership assets or any portion thereof. Title to any or all of the Partnership assets may be held in the name of the Partnership, the General Partner or one or more nominees, as the General Partner may determine in its sole and absolute discretion, including Affiliates of the General Partner. The General Partner hereby declares and warrants that any Partnership assets for which legal title is held in the name of the General Partner or any nominee or Affiliate of the General Partner shall be held by the General Partner for the use and benefit of the Partnership in accordance with the provisions of this Agreement; provided, however,that the General Partner shall use its best efforts to cause beneficial and record title to such assets to be vested in the Partnership as soon as reasonably practicable. All Partnership assets shall be recorded as the property of the Partnership in its books and records, irrespective of the name in which legal title to such Partnership assets is held.

Section 7.11. <u>Reliance by Third Parties</u>

Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Partnership shall be entitled to assume that the General Partner has full power and authority, without consent or approval of any other Partner or Person, to encumber, sell or otherwise use in any manner any and all assets of the Partnership and to enter into any contracts on behalf of the Partnership, and take any and all actions on behalf of the Partnership and such Person shall be entitled to deal with the General Partner as if the General Partner were the Partnership's sole party in interest, both legally and beneficially. Each Limited Partner hereby waives any and all defenses or other

remedies which may be available against such Person to contest, negate or disaffirm any action of the General Partner in connection with any such dealing. In no event shall any Person dealing with the General Partner or its representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the General Partner or its representatives. Each and every certificate, document or other instrument executed on behalf of the Partnership by the General Partner or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (i) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect; (ii) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership; and (iii) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Partnership.

ARTICLE 8
RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

Section 8.1. Limitation of Liability

The Limited Partners shall have no liability under this Agreement except as expressly provided in this Agreement, including Section 10.5 hereof, or under the Act.

Section 8.2. Management of Business

No Limited Partner or Assignee (other than the General Partner, any of its Affiliates or any officer, director, employee, agent or trustee of the General Partner, the Partnership or any of their Affiliates, in their capacity as such) shall take part in the operation, management or control (within the meaning of the Act) of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership. The transaction of any such business by the General Partner, any of its Affiliates or any officer, director, employee, partner, agent or trustee of the General Partner, the Partnership or any of their Affiliates, in their capacity as such, shall not affect, impair or eliminate the limitations on the liability of the Limited Partners or Assignees under this Agreement.

Section 8.3. Outside Activities of Limited Partners

Subject to any agreements entered into pursuant to Section 7.6.E hereof and any other agreements entered into by a Limited Partner or its Affiliates with the Partnership or any of its Subsidiaries, any Limited Partner (other than the Company) and any officer, director, employee, agent, trustee, Affiliate or shareholder of any Limited Partner (other than the Company) shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, including business interests and activities that are in direct competition with the Partnership or that are enhanced by the activities of the Partnership. Neither the Partnership nor any Partners shall have any rights by virtue of this Agreement in any business ventures of any Limited Partner or Assignee. None of the Limited Partners (other than the Company) nor any other Person shall have any rights by virtue of this Agreement or the Partnership relationship established hereby in any business ventures of any other Person and such Person shall have no obligation pursuant to this Agreement to offer any interest in any such business ventures to the Partnership, any Limited Partner or any such other Person, even if such opportunity is of a character which, if presented to the Partnership, any Limited Partner or such other Person, could be taken by such Person.

Section 8.4. Return of Capital

Except pursuant to the right of redemption set forth in Section 8.6, no Limited Partner shall be entitled to the withdrawal or return of its Capital Contribution, except to the extent of distributions made pursuant to this Agreement or upon termination of the Partnership as provided herein. Except to the extent provided by Exhibit C hereof or as otherwise expressly provided in this Agreement, no Limited Partner or Assignee shall have priority over any other Limited Partner or Assignee, either as to the return of Capital Contributions or as to profits, losses or distributions.

Section 8.5. Rights of Limited Partners Relating to the Partnership

A. In addition to the other rights provided by this Agreement or by the Act, and except as limited by Section 8.5.C hereof, each Limited Partner shall have the right, for a purpose reasonably related to such Limited Partner's interest as a limited partner in the Partnership, upon written demand with a statement of the purpose of such demand and at such Limited Partner's own expense (including such copying and administrative charges as the General Partner may establish from time to time):

(1) to obtain a copy of the most recent annual and quarterly reports filed with the Securities and Exchange Commission by the Company pursuant to the Securities Exchange Act of 1934;

(2) to obtain a copy of the Partnership's federal, state and local income tax returns for each Partnership Year;

(3) to obtain a current list of the name and last known business, residence or mailing address of each Partner;

(4) to obtain a copy of this Agreement and the Certificate and all amendments thereto, together with executed copies of all powers of attorney pursuant to which this Agreement, the Certificate and all amendments thereto have been executed; and

(5) to obtain true and full information regarding the amount of cash and a description and statement of any other property or services contributed by each Partner and which each Partner has agreed to contribute in the future, and the date on which each became a Partner.

B. The Partnership shall notify each Limited Partner, upon request, of the then current Conversion Factor.

C. Notwithstanding any other provision of this Section 8.5, the General Partner may keep confidential from the Limited Partners, for such period of time as the General Partner determines in its sole and absolute discretion to be reasonable, any information that (i) the General Partner reasonably believes to be in the nature of trade secrets or other information, the disclosure of which the General Partner in good faith believes is not in the best interests of the Partnership or could damage the Partnership or its business; or (ii) the Partnership is required by law or by agreements with an unaffiliated third party to keep confidential.

Section 8.6. Redemption Right

A. Subject to Sections 8.6.B and 8.6.C hereof, on or after the date two (2) years after the closing of the initial public offering of REIT Shares by the Company, each Limited Partner (other than the Company) shall have the right (the "Redemption Right") to require the Partnership to redeem on a Specified Redemption Date all or a portion of the Partnership Units held by such Limited Partner at a redemption price per Unit equal to and

in the form of the Cash Amount to be paid by the Partnership. The Redemption Right shall be exercised pursuant to a Notice of Redemption delivered to the Partnership (with a copy to the Company) by the Limited Partner who is exercising the redemption right (the "Redeeming Partner"); provided, however, that the Partnership shall not be obligated to satisfy such Redemption Right if the Company elects to purchase the Partnership Units subject to the Notice of Redemption pursuant to Section 8.6.B. A Limited Partner may not exercise the Redemption Right for less than one thousand (1,000) Partnership Units at any one time or, if such Limited Partner holds less than one thousand (1,000) Partnership Units, all of the Partnership Units held by such Partner. The Redeeming Partner shall have no right, with respect to any Partnership Units so redeemed, to receive any distributions paid on or after the Specified Redemption Date. The Assignee of any Limited Partner may exercise the rights of such Limited Partner pursuant to this Section 8.6, and such Limited Partner shall be deemed to have assigned such rights to such Assignee and shall be bound by the exercise of such rights by such Assignee. In connection with any exercise of such rights by an Assignee on behalf of a Limited Partner, the Cash Amount shall be paid by the Partnership directly to such Assignee and not to such Limited Partner. Any Partnership Units redeemed by the Partnership pursuant to this Section 8.6.A shall be cancelled upon such redemption.

B. Notwithstanding the provisions of Section 8.6.A, a Limited Partner that exercises the Redemption Right shall be deemed to have offered to sell the Partnership Units described in the Notice of Redemption to the Company, and the Company may, in its sole and absolute discretion, elect to purchase directly and acquire such Partnership Units by paying to the Redeeming Partner either the Cash Amount or the REIT Shares Amount, as elected by the Company (in its sole and absolute discretion), on the Specified Redemption Date, whereupon the Company shall acquire the Partnership Units offered for redemption by the Redeeming Partner and shall be treated for all purposes of this Agreement as the owner of such Partnership Units. If the Company shall elect to exercise its right to purchase Partnership Units under this Section 8.6.B with respect to a Notice of Redemption, it shall so notify the Redeeming Partner within five Business Days after the receipt by it of such Notice of Redemption. Unless the Company (in its sole and absolute discretion) shall exercise its right to purchase Partnership Units from the Redeeming Partner pursuant to this Section 8.6.B, the Company shall not have any obligation to the Redeeming Partner or the Partnership with respect to the Redeeming Partner's exercise of the Redemption Right. In the event the Company shall exercise its right to purchase Partnership Units with respect to the exercise of a Redemption Right in the manner described in the first sentence of

this Section 8.6.B, the Partnership shall have no obligation to pay any amount to the Redeeming Partner with respect to such Redeeming Partner's exercise of such Redemption Right, and each of the Redeeming Partner, the Partnership, and the Company shall treat the transaction between the Company and the Redeeming Partner, for federal income tax purposes, as a sale of the Redeeming Partner's Partnership Units to the Company. Each Redeeming Partner agrees to execute such documents as the Company may reasonably require in connection with the issuance of REIT Shares upon exercise of the Redemption Right. In case of any reclassification of the REIT Shares (including, but not limited to, any reclassification upon a consolidation or merger in which the Company is the continuing corporation) into securities other than REIT Shares, for purposes of this Section 8.6.B, the Company (or a Successor General Partner) may thereafter exercise its right to purchase Partnership Units for the kind and amount of shares of such securities receivable upon such reclassification by a holder of the number of REIT Shares for which such Units could be purchased pursuant to this Section immediately prior to such reclassification.

C. Notwithstanding the provisions of Section 8.6.A and Section 8.6.B, a Partner shall not be entitled to exercise the Redemption Right pursuant to Section 8.6.A to the extent that the delivery of REIT Shares to such Partner on the Specified Redemption Date by the Company pursuant to Section 8.6.B (regardless of whether or not the Company would in fact exercise its rights under Section 8.6.B) would be prohibited under the Articles of Incorporation of the Company.

ARTICLE 9
BOOKS, RECORDS, ACCOUNTING AND REPORTS

Section 9.1. Records and Accounting

The General Partner shall keep or cause to be kept at the principal office of the Partnership those records and documents required to be maintained by the Act and other books and records deemed by the General Partner to be appropriate with respect to the Partnership's business, including, without limitation, all books and records necessary to provide to the Limited Partners any information, lists and copies of documents required to be provided pursuant to Section 9.3 hereof. Any records maintained by or on behalf of the Partnership in the regular course of its business may be kept on, or be in the form of, punch cards, magnetic tape, photographs, micrographics or any other information storage device, provided that the records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Partnership

shall be maintained, for financial and tax reporting purposes, on an accrual basis in accordance with generally accepted accounting principles, or such other basis as the General Partner determines to be necessary or appropriate.

Section 9.2. Fiscal Year

The fiscal year of the Partnership shall be the calendar year.

Section 9.3. Reports

A. As soon as practicable, but in no event later than one hundred five (105) days after the close of each Partnership Year, the General Partner shall cause to be mailed to each Limited Partner as of the close of the Partnership Year, an annual report containing financial statements of the Partnership, or of the Company if such statements are prepared solely on a consolidated basis with the Company, for such Partnership Year, presented in accordance with generally accepted accounting principles, such statements to be audited by a nationally recognized firm of independent public accountants selected by the General Partner.

B. As soon as practicable, but in no event later than one hundred five (105) days after the close of each calendar quarter (except the last calendar quarter of each year), the General Partner shall cause to be mailed to each Limited Partner as of the last day of the calendar quarter, a report containing unaudited financial statements of the Partnership, or of the Company, if such statements are prepared solely on a consolidated basis with the Company, and such other information as may be required by applicable law or regulation, or as the General Partner determines to be appropriate.

ARTICLE 10
TAX MATTERS

Section 10.1. Preparation of Tax Returns

The General Partner shall arrange for the preparation and timely filing of all returns of Partnership income, gains, deductions, losses and other items required of the Partnership for federal and state income tax purposes and shall use all reasonable efforts to furnish, within ninety (90) days of the close of each taxable year, the tax information reasonably required by Limited Partners for federal and state income tax reporting purposes.

Section 10.2. Tax Elections

Except as otherwise provided herein, the General Partner shall, in its sole and absolute discretion, determine whether to make any available election pursuant to the Code. Notwithstanding the above, in making any such tax election the General Partner may, but shall be under no obligation to, take into account the tax consequences to the Limited Partners resulting from any such election.

The General Partner shall make such tax elections on behalf of the Partnership as the Limited Partners holding a majority of the Percentage Interests of the Limited Partners (excluding Limited Partner Interests held by the Company) request, provided that the General Partner believes that such election is not adverse to the interests of the General Partner, including its interest in preserving its qualification as a REIT under the Code. The General Partner intends to elect the so-called "traditional method" of making Section 704(c) allocations pursuant to Regulations Section 1.704-3 with respect to property contributed as of the date hereof. The General Partner shall have the right to seek to revoke any tax election it makes (including, without limitation, an election under Section 754 of the Code) upon the General Partner's determination, in its sole and absolute discretion, that such revocation is in the best interests of the Partners.

Section 10.3. Tax Matters Partner

A. The General Partner shall be the "tax matters partner" of the Partnership for federal income tax purposes. Pursuant to Section 6230(e) of the Code, upon receipt of notice from the IRS of the beginning of an administrative proceeding with respect to the partnership, the tax matters partner shall furnish the IRS with the name, address, taxpayer identification number, and profit interest of each of the Limited Partners and the Assignees; provided, however, that such information is provided to the Partnership by the Limited Partners and the Assignees.

B. The tax matters partner is authorized, but not required:

(1) to enter into any settlement with the IRS with respect to any administrative or judicial proceedings for the adjustment of Partnership items required to be taken into account by a Partner for income tax purposes (such administrative proceedings being referred to as a "tax audit" and such judicial proceedings being referred to as "judicial review"), and in the settlement agreement the tax matters partner may

expressly state that such agreement shall bind all Partners, except that such settlement agreement shall not bind any Partner (i) who (within the time prescribed pursuant to the Code and Regulations) files a statement with the IRS providing that the tax matters partner shall not have the authority to enter into a settlement agreement on behalf of such Partner; or (ii) who is a "notice partner" (as defined in Section 6231(a)(8) of the Code) or a member of a "notice group" (as defined in Section 6223(b)(2) of the Code);

(2) in the event that a notice of a final administrative adjustment at the Partnership level of any item required to be taken into account by a Partner for tax purposes (a "final adjustment") is mailed to the tax matters partner, to seek judicial review of such final adjustment, including the filing of a petition for readjustment with the Tax Court or the filing of a complaint for refund with the United States Claims Court or the District Court of the United States for the district in which the Partnership's principal place of business is located;

(3) to intervene in any action brought by any other Partner for judicial review of a final adjustment;

(4) to file a request for an administrative adjustment with the IRS and, if any part of such request is not allowed by the IRS, to file an appropriate pleading (petition or complaint) for judicial review with respect to such request;

(5) to enter into an agreement with the IRS to extend the period for assessing any tax which is attributable to any item required to be taken account of by a Partner for tax purposes, or an item affected by such item; and

(6) to take any other action on behalf of the Partners or the Partnership in connection with any tax audit or judicial review proceeding to the extent permitted by applicable law or regulations.

The taking of any action and the incurring of any expense by the tax matters partner in connection with any such proceeding, except to the extent required by law, is a matter in the sole and absolute discretion of the tax matters partner and the provisions

relating to indemnification of the General Partner set forth in Section 7.7 of this Agreement shall be fully applicable to the tax matters partner in its capacity as such.

C. The tax matters partner shall receive no compensation for its services. All third party costs and expenses incurred by the tax matters partner in performing its duties as such (including legal and accounting fees and expenses) shall be borne by the Partnership. Nothing herein shall be construed to restrict the Partnership from engaging an accounting firm to assist the tax matters partner in discharging its duties hereunder, so long as the compensation paid by the Partnership for such services is reasonable.

Section 10.4. Organizational Expenses

The Partnership shall elect to deduct expenses, if any, incurred by it in forming the Partnership ratably over a sixty (60) month period as provided in Section 709 of the Code.

Section 10.5. Withholding

Each Limited Partner hereby authorizes the Partnership to withhold from, or pay on behalf of or with respect to, such Limited Partner any amount of federal, state, local, or foreign taxes that the General Partner determines that the Partnership is required to withhold or pay with respect to any amount distributable or allocable to such Limited Partner pursuant to this Agreement, including, without limitation, any taxes required to be withheld or paid by the Partnership pursuant to Sections 1441, 1442, 1445, or 1446 of the Code. Any amount paid on behalf of or with respect to a Limited Partner shall constitute a loan by the Partnership to such Limited Partner, which loan shall be repaid by such Limited Partner within fifteen (15) days after notice from the General Partner that such payment must be made unless (i) the Partnership withholds such payment from a distribution which would otherwise be made to the Limited Partner; or (ii) the General Partner determines, in its sole and absolute discretion, that such payment may be satisfied out of the available funds of the Partnership which would, but for such payment, be distributed to the Limited Partner. Any amounts withheld pursuant to the foregoing clauses (i) or (ii) shall be treated as having been distributed to such Limited Partner. In the event that a Limited Partner fails to pay any amounts owed to the Partnership pursuant to this Section 10.5 when due, the General Partner may, in its sole and absolute discretion, elect to make the payment to the Partnership on behalf of such defaulting Limited Partner, and in such event shall be deemed to have loaned such amount to such defaulting Limited Partner and shall succeed to all rights and remedies of the Partnership as

against such defaulting Limited Partner. Without limitation, in such event the General Partner shall have the right to receive distributions that would otherwise be distributable to such defaulting Limited Partner until such time as such loan, together with all interest thereon, has been paid in full, and any such distributions so received by the General Partner shall be treated as having been distributed to the defaulting Limited Partner and immediately paid by the defaulting Limited Partner to the General Partner in repayment of such loan. Any amounts payable by a Limited Partner hereunder shall bear interest at the lesser of (A) the base rate on corporate loans at large United States money center commercial banks, as published from time to time in The Wall Street Journal, plus four (4) percentage points, or (B) the maximum lawful rate of interest on such obligation, such interest to accrue from the date such amount is due (i.e., fifteen (15) days after demand) until such amount is paid in full. Each Limited Partner shall take such actions as the Partnership or the General Partner shall request in order to perfect or enforce the security interest created hereunder.

ARTICLE 11
TRANSFERS AND WITHDRAWALS

Section 11.1. Transfer

A. The term "transfer," when used in this Article 11 with respect to a Partnership Unit, shall be deemed to refer to a transaction by which the General Partner purports to assign all or any part of its General Partner Interest to another Person or by which a Limited Partner purports to assign all or any part of its Limited Partner Interest to another Person, and includes a sale, assignment, gift, pledge, encumbrance, hypothecation, mortgage, exchange or any other disposition by law or otherwise. The term "transfer" when used in this Article 11 does not include (i) any redemption of Partnership Interests by the Partnership from a Limited Partner, (ii) any acquisition of Partnership Units from a Limited Partner by the Company pursuant to Section 8.6, (iii) any distribution of Partnership Units by a Limited Partner to its beneficial owners or (iv) a pledge or transfer of Partnership Units pursuant to either (1) the Pledge and Security Agreement dated as of June 2, 1995, by and between Reckom, Inc., HMCC Associates, L.P., Odyli, Inc. and Odyssey Partners, L.P. or (2) the Pledge and Security Agreement dated as of June 2, 1995 by and among the Company, the Partnership, Donald Rechler, Roger Rechler, Scott Rechler, Mitchell Rechler, Mark Rechler, Gregg Rechler, Vanderbilt Generations, L.P., Wildoro Associates and Reckson Associates.

B. No Partnership Interest shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Article 11. Any transfer or purported transfer of a Partnership Interest not made in accordance with this Article 11 shall be null and void.

Section 11.2. Transfer of the Company's General Partner Interest and Limited Partner Interest

The Company may not transfer any of its General Partner Interest or withdraw as General Partner, or transfer any of its Limited Partner Interest, unless Limited Partners holding a majority of the Percentage Interests of the Limited Partners (other than Limited Partner Interests held by the Company) consent to such transfer or withdrawal.

Section 11.3. Limited Partners' Rights to Transfer

A. Subject to the provisions of Sections 11.3.C, 11.3.D, 11.3.E, 11.4 and 11.6, a Limited Partner (other than the Company) may transfer, with or without the consent of the General Partner, all or any portion of its Partnership Interest, or any of such Limited Partner's economic rights as a Limited Partner.

B. If a Limited Partner is subject to Incapacity, the executor, administrator, trustee, committee, guardian, conservator or receiver of such Limited Partner's estate shall have all of the rights of a Limited Partner, but not more rights than those enjoyed by other Limited Partners, for the purpose of settling or managing the estate and such power as the Incapacitated Limited Partner possessed to transfer all or any part of his or its interest in the Partnership. The Incapacity of a Limited Partner, in and of itself, shall not dissolve or terminate the Partnership.

C. The General Partner may prohibit any transfer by a Limited Partner of its Partnership Units if, in the opinion of legal counsel to the Partnership, such transfer would require filing of a registration statement under the Securities Act of 1933 or would otherwise violate any federal or state securities laws or regulations applicable to the Partnership or the Partnership Units.

D. No transfer by a Limited Partner of its Partnership Units may be made to any Person if (i) in the opinion of legal counsel for the Partnership, it would result in the Partnership being treated as an association taxable as a corporation; (ii) it is made within two years after the consummation of the initial public offering of the Company without the consent of the General Partner; (iii) such transfer is effectuated through an

"established securities market" or a "secondary market (or the substantial equivalent thereof)" with the meaning of Section 7704 of the Code; (iv) such transfer would cause the Partnership to become, with respect to any employee benefit plan subject to Title I of ERISA, a "party-in-interest" (as defined in Section 3(14) of ERISA) or a "disqualified person" (as defined in Section 4975(c) of the Code); (v) such transfer would, in the opinion of legal counsel for the Partnership, cause any portion of the assets of the Partnership to constitute assets of any employee benefit plan pursuant to Department of Labor Regulations Section 2510.2-101; (vi) such transfer would subject the Partnership to be regulated under the Investment Company Act of 1940, the Investment Advisors Act of 1940 or the Employee Retirement Income Security Act of 1974, each as amended; or (vii) such Person is a member of Reckson Executive Centers, L.L.C.; provided that this restriction shall not apply to a transfer of Partnership Units between Limited Partners attributable to closing adjustments made pursuant to Article V of the Omnibus Option Agreement, dated December 15, 1994, by and among the Partnership and the Grantors named therein.

E. No transfer of any Partnership Units may be made to a lender to the Partnership or any Person who is related (within the meaning of Section 1.752-4(b) of the Regulations) to any lender to the Partnership whose loan constitutes a Nonrecourse Liability, without the consent of the General Partner, in its sole and absolute discretion; provided that as a condition to such consent the lender will be required to enter into an arrangement with the Partnership and the General Partner to redeem for the Cash Amount any Partnership Units in which a security interest is held simultaneously with the time at which such lender would be deemed to be a partner in the Partnership for purposes of allocating liabilities to such lender under Section 752 of the Code.

F. The General Partner shall keep a register for the Partnership on which the transfer, pledge or release of Partnership Units shall be shown and pursuant to which entries shall be made to effect all transfers, pledges or releases as required by Sections 8-207, 8-313(1) and 8-321 of the Uniform Commercial Code, as amended, in effect in the States of New York and Delaware; provided, however, that if there is any conflict between such requirements, the provisions of the Delaware Uniform Commercial Code shall govern. The General Partner shall (i) place proper entries in such register clearly showing each transfer and each pledge and grant of security interest and the transfer and assignment pursuant thereto, such entries to be endorsed by the General Partner and (ii) maintain the register and make the register available for inspection by all of the Partners and their pledgees at all times during the term of this

Agreement. Nothing herein shall be deemed a consent to any pledge or transfer otherwise prohibited under this Agreement.

Section 11.4. Substituted Limited Partners

A. No Limited Partner shall have the right to substitute a transferee as a Limited Partner in his place. The General Partner shall, however, have the right to consent to the admission of a transferee of the interest of a Limited Partner pursuant to this Section 11.4 as a Substituted Limited Partner, which consent may be given or withheld by the General Partner in its sole and absolute discretion. The General Partner's failure or refusal to permit a transferee of any such interests to become a Substituted Limited Partner shall not give rise to any cause of action against the Partnership or any Partner. A Person shall be admitted to the Partnership as a Substituted Limited Partner only upon the aforementioned consent of the General Partner and the furnishing to the General Partner of (i) evidence of acceptance in form satisfactory to the General Partner of all of the terms and conditions of this Agreement, including, without limitation, the power of attorney granted in Section 2.4 hereof and (ii) such other documents of the General Partner in order to effect such Person's admission as a Substituted Limited Partner. The admission of any Person as a Substituted Limited Partner shall become effective on the date upon which the name of such Person is recorded on the books and records of the Partnership, following the consent of the General Partner to such admission.

B. A transferee who has been admitted as a Substituted Limited Partner in accordance with this Article 11 shall have all the rights and powers and be subject to all the restrictions and liabilities of a Limited Partner under this Agreement.

C. Upon the admission of a Substituted Limited Partner, the General Partner shall amend Exhibit A to reflect the name, address, number of Partnership Units, and Percentage Interest of such Substituted Limited Partner and to eliminate or adjust, if necessary, the name, address and interest of the predecessor of such Substituted Limited Partner.

Section 11.5. Assignees

If the General Partner, in its sole and absolute discretion, does not consent to the admission of any permitted transferee as a Substituted Limited Partner, as described in Section 11.4, such transferee shall be considered an Assignee for purposes of this Agreement. An Assignee shall be deemed to have had assigned to it, and shall be entitled to receive distributions from the Partnership and the share of Net Income, Net Losses, Recapture Income, and any other items, gain, loss deduction and credit of

the Partnership attributable to the Partnership Units assigned to such transferee, but shall not be deemed to be a holder of Partnership Units for any other purpose under this Agreement, and shall not be entitled to vote such Partnership Units in any matter presented to the Limited Partners for a vote (such Partnership Units being deemed to have been voted on such matter in the same proportion as all other Partnership Units held by Limited Partners are voted). In the event any such transferee desires to make a further assignment of any such Partnership Units, such transferee shall be subject to all of the provisions of this Article 11 to the same extent and in the same manner as any Limited Partner desiring to make an assignment of Partnership Units.

Section 11.6. General Provisions

A. No Limited Partner may withdraw from the Partnership other than as a result of a permitted transfer of all of such Limited Partner's Partnership Units in accordance with this Article 11 or pursuant to redemption of all of its Partnership Units, or the acquisition thereof by the Company, under Section 8.6.

B. Any Limited Partner who shall transfer all of its Partnership Units in a transfer permitted pursuant to this Article 11 shall cease to be a Limited Partner upon the admission of all Assignees of such Partnership Units as Substitute Limited Partners. Similarly, any Limited Partner who shall transfer all of its Partnership Units pursuant to a redemption of all of its Partnership Units, or the acquisition thereof by the Company, under Section 8.6 shall cease to be a Limited Partner.

C. Transfers pursuant to this Article 11 may only be made on the first day of a fiscal quarter of the Partnership, unless the General Partner otherwise agrees.

D. If any Partnership Interest is transferred or assigned during any quarterly segment of the Partnership's fiscal year in compliance with the provisions of this Article 11 or redeemed or transferred pursuant to Section 8.6 on any day other than the first day of a Partnership Year, then Net Income, Net Losses, each item thereof and all other items attributable to such interest for such Partnership Year shall be divided and allocated between the transferor Partner and the transferee Partner by taking into account their varying interests during the Partnership Year in accordance with Section 706(d) of the Code, using the interim closing of the books method. Solely for purposes of making such allocations, each of such items for the calendar month in which the transfer or assignment occurs shall be allocated to the transferee Partner, and none of such items

for the calendar month in which a redemption occurs shall be allocated to the Redeeming Partner; provided, however, that the General Partner may adopt such other conventions relating to allocations in connection with transfers, assignments or redemptions as it determines are necessary or appropriate. All distributions of Available Cash attributable to such Partnership Unit with respect to which the Partnership Record Date is before the date of such transfer, assignment, or redemption shall be made to the transferor Partner or the Redeeming Partner, as the case may be, and in the case of a transfer or assignment other than a redemption, all distributions of Available Cash thereafter attributable to such Partnership Unit shall be made to the transferee Partner.

ARTICLE 12
ADMISSION OF PARTNERS

Section 12.1. Admission of Successor General Partner

A successor to all of the General Partner Interest pursuant to Section 11.2 hereof who is proposed to be admitted as a successor General Partner shall be admitted to the Partnership as the General Partner, effective immediately prior to such transfer. Any such transferee shall carry on the business of the Partnership without dissolution. In each case, the admission shall be subject to the successor General Partner executing and delivering to the Partnership an acceptance of all of the terms and conditions of this Agreement and such other documents or instruments as may be required to effect the admission. In the case of such admission on any day other than the first day of a Partnership Year, all items attributable to the General Partner Interest for such Partnership Year shall be allocated between the transferring General Partner and such successor as provided in Section 11.6.D hereof.

Section 12.2. Admission of Additional Limited Partners

A. After the admission to the Partnership of the Limited Partners named in Exhibit A attached hereto on the date hereof (other than Scott H. Rechler who has previously been admitted as a limited partner), a Person who makes a Capital Contribution to the Partnership in accordance with this Agreement shall be admitted to the Partnership as an Additional Limited Partner only upon furnishing to the General Partner (i) evidence of acceptance in form satisfactory to the General Partner of all of the terms and conditions of this Agreement, including, without limitation, the power of attorney granted in Section 2.4 hereof and (ii) such other documents or instruments as may be required in the

discretion of the General Partner in order to effect such Person's admission as an Additional Limited Partner.

B. Notwithstanding anything to the contrary in this Section 12.2, no Person shall be admitted as an Additional Limited Partner without the consent of the General Partner, which consent may be given or withheld in the General Partner's sole and absolute discretion. The admission of any Person as an Additional Limited Partner shall become effective on the date upon which the name of such Person is recorded on the books and records of the Partnership, following the consent of the General Partner to such admission.

C. If any Additional Limited Partner is admitted to the Partnership on any day other than the first day of a Partnership Year, then Net Income, Net Losses, each item thereof and all other items allocable among Partners and Assignees for such Partnership Year shall be allocated among such Additional Limited Partner and all other Partners and Assignees by taking into account their varying interests during the Partnership Year in accordance with Section 706(d) of the Code, using the interim closing of the books method. Solely for purposes of making such allocations, each such item for the calendar month in which an admission of any Additional Limited Partner occurs shall be allocated among all of the Partners and Assignees, including such Additional Limited Partner; provided, however, that the General Partner may adopt such other conventions relating to allocations to Additional Limited Partners as it determines are necessary or appropriate. All distributions of Available Cash with respect to which the Partnership Record Date is before the date of such admission shall be made solely to Partners and Assignees, other than the Additional Limited Partner, and all distributions of Available Cash thereafter shall be made to all of the Partners and Assignees, including such Additional Limited Partner.

Section 12.3. Amendment of Agreement and Certificate of Limited Partnership

For the admission to the Partnership of any Partner, the General Partner shall take all steps necessary and appropriate under the Act to amend the records of the Partnership and, if necessary, to prepare as soon as practical an amendment of this Agreement (including an amendment of Exhibit A) and, if required by law, shall prepare and file an amendment to the Certificate and may for this purpose exercise the power of attorney granted pursuant to Section 2.4 hereof.

ARTICLE 13
DISSOLUTION, LIQUIDATION AND TERMINATION

Section 13.1. Dissolution

The Partnership shall not be dissolved by the admission of Substituted Limited Partners or Additional Limited Partners or by the admission of a successor General Partner in accordance with the terms of this Agreement. Upon the withdrawal of the General Partner, any successor General Partner shall continue the business of the Partnership without dissolution. The Partnership shall dissolve, and its affairs shall be wound up, only upon the first to occur of any of the following ("Liquidating Events"):

A. the expiration of its term as provided in Section 2.5 hereof;

B. an event of withdrawal of the General Partner, as defined in the Act, other than an event of bankruptcy as defined in the Act, unless, (i) at the time of the occurrence of such event there is at least one remaining general partner of the Partnership who is hereby authorized to and does carry on the business of the Partnership, or (ii) within ninety (90) days after such event of withdrawal not less than a majority in interest of the remaining Partners (or such greater percentage in interest as may be required by the Act and determined in accordance with the Act), determined, in case the withdrawing General Partner continues as a Limited Partner, by both excluding and including Limited Partner Interests continuing to be held by the withdrawing General Partner, agrees in writing to continue the business of the Partnership and to the appointment, effective as of the date of withdrawal, of a successor General Partner;

C. from and after the date of this Agreement through December 31, 2055, an election to dissolve the Partnership made by the General Partner with the Consent of Partners holding the requisite percentage specified in Section 7.3B hereof of the Percentage Interests of the Limited Partners (including Limited Partner Interests held by the Company);

D. on or after January 1, 2056, an election to dissolve the Partnership made by the General Partner, in its sole and absolute discretion;

E. entry of a decree of judicial dissolution of the Partnership pursuant to the provisions of the Act;

F. the sale of all or substantially all of the assets and properties of the Partnership; or

G. a final and non-appealable judgment is entered by a court of competent jurisdiction ruling that the General Partner is bankrupt or insolvent, or a final and non-appealable order for relief is entered by a court with appropriate jurisdiction against the General Partner, in each case under any federal or state bankruptcy or insolvency laws as now or hereafter in effect (hereinafter referred to as an "Event of Bankruptcy," and such term as used herein is intended and shall be deemed to supersede and replace the events of withdrawal described in Section 17-402(a)(4) and (5) of the Act), unless prior to the entry of such order or judgment all of the remaining Partners agree in writing to continue the business of the Partnership and to the appointment, effective as of a date prior to the date of such order or judgment, of a substitute General Partner.

Section 13.2. Winding Up

A. Upon the occurrence of a Liquidating Event, the Partnership shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and Partners. No Partner shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Partnership's business and affairs. The General Partner, or, in the event there is no remaining General Partner, any Person elected by a majority in interest of the Limited Partners (the General Partner or such other Person being referred to herein as the "Liquidator"), shall be responsible for overseeing the winding up and dissolution of the Partnership and shall take full account of the Partnership's liabilities and property and the Partnership property shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom (which may, to the extent determined by the General Partner, include shares of common stock in the Company) shall be applied and distributed in the following order:

(1) First, in satisfaction of all of the Partnership's debts and liabilities to creditors other than the Partners (whether by payment or the making of reasonable provision for payment thereof);

(2) Second, to the payment and discharge of all of the Partnership's debts and liabilities to the General Partner;

(3) Third, to the payment and discharge of all of the Partnership's debts and liabilities to the other Partners; and

(4) The balance, if any, to the General Partner and Limited Partners in accordance with their Capital Accounts, after giving effect to all contributions, distributions, and allocations for all periods.

The General Partner shall not receive any additional compensation for any services performed pursuant to this Article 13.

B. Notwithstanding the provisions of Section 13.2.A hereof which require liquidation of the assets of the Partnership, but subject to the order of priorities set forth therein, if prior to or upon dissolution of the Partnership the Liquidator determines that an immediate sale of part or all of the Partnership's assets would be impractical or would cause undue loss to the Partners, the Liquidator may, in its sole and absolute discretion, defer for a reasonable time the liquidation of any assets except those necessary to satisfy liabilities of the Partnership (including to those Partners as creditors) and/or distribute to the Partners, in lieu of cash, as tenants in common and in accordance with the provisions of Section 13.2.A hereof, undivided interests in such Partnership assets as the Liquidator deems not suitable for liquidation. Any such distributions in kind shall be made only if, in the good faith judgment of the Liquidator, such distributions in kind are in the best interest of the Partners, and shall be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any agreements governing the operation of such properties at such time. The Liquidator shall determine the fair market value of any property distributed in kind using such reasonable method of valuation as it may adopt.

C. In the discretion of the Liquidator, a pro rata portion of the distributions that would otherwise be made to the General Partner and Limited Partners pursuant to this Article 13 may be:

(1) distributed to a trust established for the benefit of the General Partner and Limited Partners for the purposes of liquidating Partnership assets, collecting amounts owed to the Partnership, and paying any contingent or unforeseen liabilities or obligations of the Partnership or the General Partner arising out of or in connection with the Partnership. The assets of any such trust shall be distributed to the General Partner and Limited Partners from time to time, in the reasonable discretion of the Liquidator, in the same proportions as the amount distributed to such trust by the Partnership would otherwise have been

distributed to the General Partner and Limited Partners pursuant to this Agreement; or

(2) withheld or escrowed to provide a reasonable reserve for Partnership liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Partnership, provided that such withheld or escrowed amounts shall be distributed to the General Partner and Limited Partners in the manner and order of priority set forth in Section 13.2.A as soon as practicable.

Section 13.3. Compliance with Timing Requirements of Regulations

In the event the Partnership is "liquidated" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), distributions shall be made pursuant to this Article 13 to the General Partner and Limited Partners who have positive Capital Accounts in compliance with Regulations Section 1.704-1(b)(2)(ii)(b)(2). If any Partner has a deficit balance in his Capital Account (after giving effect to all contributions, distributions and allocations for all taxable years, including the year during which such liquidation occurs), such Partner shall have no obligation to make any contribution to the capital of the Partnership with respect to such deficit, and such deficit shall not be considered a debt owed to the Partnership or to any other Person for any purpose whatsoever.

Section 13.4. Deemed Distribution and Recontribution

Notwithstanding any other provision of this Article 13, in the event the Partnership is "liquidated" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), but no Liquidating Event has occurred, the Partnership's property shall not be liquidated, the Partnership's liabilities shall not be paid or discharged, and the Partnership's affairs shall not be wound up. Instead, for federal income tax purposes and for purposes of maintaining Capital Accounts pursuant to Exhibit B hereto, the Partnership shall be deemed to have distributed the property in kind to the General Partner and Limited Partners, who shall be deemed to have assumed and taken such property subject to all Partnership liabilities, all in accordance with their respective Capital Accounts. Immediately thereafter, the General Partner and Limited Partners shall be deemed to have recontributed the Partnership property in kind to the Partnership, which shall be deemed to have assumed and taken such property subject to all such liabilities.

Section 13.5. <u>Rights of Limited Partners</u>

Except as otherwise provided in this Agreement, each Limited Partner shall look solely to the assets of the Partnership for the return of its Capital Contributions and shall have no right or power to demand or receive property other than cash from the Partnership. Except as otherwise provided in this Agreement, no Limited Partner shall have priority over any other Partner as to the return of its Capital Contributions, distributions, or allocations.

Section 13.6. <u>Notice of Dissolution</u>

In the event a Liquidating Event occurs or an event occurs that would, but for the provisions of an election or objection by one or more Partners pursuant to Section 13.1, result in a dissolution of the Partnership, the General Partner shall, within thirty (30) days thereafter, provide written notice thereof to each of the Partners.

Section 13.7. <u>Termination of Partnership and Cancellation of Certificate of Limited Partnership</u>

Upon the completion of the winding-up of the Partnership and liquidation of its assets, as provided in Section 13.2 hereof, the Partnership shall be terminated by filing a certificate of cancellation with the Secretary of State of the State of Delaware, cancelling all qualifications of the Partnership as a foreign limited partnership in jurisdictions other than the State of Delaware and taking such other actions as may be necessary to terminate the Partnership.

Section 13.8. <u>Reasonable Time for Winding-Up</u>

A reasonable time shall be allowed for the orderly winding-up of the business and affairs of the Partnership and the liquidation of its assets pursuant to Section 13.2 hereof, in order to minimize any losses otherwise attendant upon such winding-up, and the provisions of this Agreement shall remain in effect between the Partners during the period of liquidation.

Section 13.9. <u>Waiver of Partition</u>

Each Partner hereby waives any right to partition of the Partnership property.

ARTICLE 14
AMENDMENT OF PARTNERSHIP AGREEMENT; MEETINGS

Section 14.1. Amendment of Partnership Agreement

A. Amendments to this Agreement may be proposed by the General Partner or by any Limited Partners (other than the Company) holding twenty percent (20%) or more of the Partnership Interests. Following such proposal, the General Partner shall submit any proposed amendment to the Limited Partners. The General Partner shall seek the written vote of the Partners on the proposed amendment or shall call a meeting to vote thereon and to transact any other business that it may deem appropriate. For purposes of obtaining a written vote, the General Partner may require a response within a reasonable specified time, but not less than fifteen (15) days, and failure to respond in such time period shall constitute a vote which is consistent with the General Partner's recommendation with respect to the proposal. Except as provided in Section 7.3.A, 7.3.B, 13.1.C, 14.1.B, 14.1.C or 14.1.D, a proposed amendment shall be adopted and be effective as an amendment hereto if it is approved by the General Partner and it receives the Consent of Partners holding a majority of the Percentage Interests of the Limited Partners (including Limited Partner Interests held by the Company).

B. Notwithstanding Section 14.1.A, the General Partner shall have the power, without the consent of the Limited Partners, to amend this Agreement as may be required to facilitate or implement any of the following purposes:

(1) to add to the obligations of the General Partner or surrender any right or power granted to the General Partner or any Affiliate of the General Partner for the benefit of the Limited Partners;

(2) to reflect the admission, substitution, termination, or withdrawal of Partners in accordance with this Agreement;

(3) to set forth the designations, rights (including redemption rights that differ from those specified in Section 8.6), powers, duties, and preferences of Partnership Units or other Partnership Interests issued pursuant to Section 4.2.A hereof;

(4) to reflect a change that is of an inconsequential nature and does not adversely affect the Limited Partners in any material respect, or to cure any ambiguity, correct or supplement any provision in this Agreement not inconsistent with law or with

other provisions, or make other changes with respect to matters arising under this Agreement that will not be inconsistent with law or with the provisions of this Agreement; and

(5) to satisfy any requirements, conditions, or guidelines contained in any order, directive, opinion, ruling or regulation of a federal or state agency or contained in federal or state law.

The General Partner shall provide notice to the Limited Partners when any action under this Section 14.1.B is taken.

C. Notwithstanding Section 14.1.A and 14.1.B hereof, this Agreement shall not be amended without the Consent of each Partner adversely affected if such amendment would (i) convert a Limited Partner's interest in the Partnership into a General Partner Interest; (ii) modify the limited liability of a Limited Partner in a manner adverse to such Limited Partner; (iii) alter rights of the Partner to receive distributions pursuant to Article 5 or Article 13, or the allocations specified in Article 6 (except as permitted pursuant to Section 4.2 and Section 14.1.B(3) hereof); (iv) alter or modify the Redemption Right and REIT Shares Amount as set forth in Sections 8.6, and the related definitions, in a manner adverse to such Partner; (v) cause the termination of the Partnership prior to the time set forth in Sections 2.5 or 13.1; or (vi) amend this Section 14.1.C. Further, no amendment may alter the restrictions on the General Partner's authority set forth in Section 7.3.B without the Consent specified in that section.

D. Notwithstanding Section 14.1.A or Section 14.1.B hereof, the General Partner shall not amend Sections 4.2.A, 7.5, 7.6, 11.2 or 14.2 without the Consent of Limited Partners holding a majority of the Percentage Interests of the Limited Partners, excluding Limited Partner Interests held by the General Partner.

Section 14.2. Meetings of the Partners

A. Meetings of the Partners may be called by the General Partner and shall be called upon the receipt by the General Partner of a written request by Limited Partners (other than the Company) holding twenty percent (20%) or more of the Partnership Interests. The request shall state the nature of the business to be transacted. Notice of any such meeting shall be given to all Partners not less than seven (7) days nor more than thirty (30) days prior to the date of such meeting. Partners may vote in person or by proxy at such meeting. Whenever the vote or Consent of the Partners is permitted or required under this Agreement, such vote or Consent may be given at a meeting of the Partners or

may be given in accordance with the procedure prescribed in Section 14.1.A hereof. Except as otherwise expressly provided in this Agreement, the Consent of holders of a majority of the Percentage Interests held by Limited Partners (including Limited Partnership Interests held by the Company) shall control.

B. Any action required or permitted to be taken at a meeting of the Partners may be taken without a meeting if a written consent setting forth the action so taken is signed by a majority of the Percentage Interests of the Partners (or such other percentage as is expressly required by this Agreement). Such consent may be in one instrument or in several instruments, and shall have the same force and effect as a vote of a majority of the Percentage Interests of the Partners (or such other percentage as is expressly required by this Agreement). Such consent shall be filed with the General Partner. An action so taken shall be deemed to have been taken at a meeting held on the effective date so certified.

C. Each Limited Partner may authorize any Person or Persons to act for him by proxy on all matters in which a Limited Partner is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Every proxy must be signed by the Limited Partner or his attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Limited Partner executing it, such revocation to be effective upon the Partnership's receipt of written notice of such revocation from the Limited Partner executing such proxy.

D. Each meeting of the Partners shall be conducted by the General Partner or such other Person as the General Partner may appoint pursuant to such rules for the conduct of the meeting as the General Partner or such other Person deems appropriate. Without limitation, meetings of Partners may be conducted in the same manner as meetings of the shareholders of the Company and may be held at the same time, and as part of, meetings of the shareholders of the Company.

ARTICLE 15
GENERAL PROVISIONS

Section 15.1. Addresses and Notice

Any notice, demand, request or report required or permitted to be given or made to a Partner or Assignee under this Agreement shall be in writing and shall be deemed given or made when delivered in person or when sent by first class United States mail or by other means of written communication to the Partner or Assignee at the address set forth in Exhibit A or such other address of which the Partner shall notify the General Partner in writing.

Section 15.2. Titles and Captions

All article or section titles or captions in this Agreement are for convenience only. They shall not be deemed part of this Agreement and in no way define, limit, extend or describe the scope or intent of any provisions hereof. Except as specifically provided otherwise, references to "Articles" and "Sections" are to Articles and Sections of this Agreement.

Section 15.3. Pronouns and Plurals

Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

Section 15.4. Further Action

The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 15.5. Binding Effect

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

Section 15.6. Creditors

Other than as expressly set forth herein with respect to the Indemnitees, none of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Partnership.

Section 15.7. Waiver

No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

Section 15.8. Counterparts

This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all of the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart. Each party shall become bound by this Agreement immediately upon affixing its signature hereto.

Section 15.9. Applicable Law

This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Delaware, without regard to the principles of conflict of laws.

Section 15.10. Invalidity of Provisions

If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

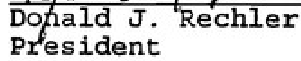
Section 15.11, Entire Agreement

This Agreement contains the entire understanding and agreement among the Partners with respect to the subject matter hereof and supersedes the Prior Agreement and any other prior written or oral understandings or agreements among them with respect thereto.

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

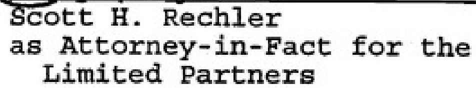
GENERAL PARTNER:

Reckson Associates Realty Corp.

By: 
Donald J. Rechler
President

[CORPORATE SEAL]

LIMITED PARTNERS:

By: 
Scott H. Rechler
as Attorney-in-Fact for the
Limited Partners

LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to become one of the within named Limited Partners of Reckson Operating Partnership, L.P., hereby becomes a party to the Amended and Restated Agreement of Limited Partnership, dated as of June 2, 1995, of Reckson Operating Partnership, L.P., by and among Reckson Associates Realty Corp. and such Limited Partners. The undersigned agrees that this signature page may be attached to any counterpart of said Amended and Restated Agreement of Limited Partnership.

125 BAYLIS ROAD, L.L.C.

Signature line for Limited Partner /s/ Robert Heller
By: Robert Heller
Its: Manager

Address of Limited Partner 300 Executive Drive
West Orange, New Jersey 07052

Date: September 19, 1995

LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to become one of the within named Limited Partners of Reckson Operating Partnership, L.P., hereby becomes a party to the Amended and Restated Agreement of Limited Partnership, dated as of June 2, 1995, and as amended on December 6, 1995, of Reckson Operating Partnership, L.P., by and among Reckson Associates Realty Corp. and such Limited Partners. The undersigned agrees that this signature page may be attached to any counterpart of said Amended and Restated Agreement of Limited Partnership.

Signature line for Limited Partner /s/ J. Michael Maturo
J. Michael Maturo

Address of Limited Partner c/o Reckson Associates
225 Broadhollow Road
Melville, New York 11747

Date: February 7, 1996

BWNY/87854.18

LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to become one of the within named Limited Partners of Reckson Operating Partnership, L.P., hereby becomes a party to the Amended and Restated Agreement of Limited Partnership, dated as of June 2, 1995, and as amended on December 6, 1995, of Reckson Operating Partnership, L.P., by and among Reckson Associates Realty Corp. and such Limited Partners. The undersigned agrees that this signature page may be attached to any counterpart of said Amended and Restated Agreement of Limited Partnership.

Signature line for Limited Partner /s/ Oscar Marin
Oscar Marin

Address of Limited Partner c/o Reckson Associates
225 Broadhollow Road
Melville, New York 11747

Date: January 2, 1996

BWNY/87854.18

LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to become one of the within named Limited Partners of Reckson Operating Partnership, L.P., hereby becomes a party to the Amended and Restated Agreement of Limited Partnership, dated as of June 2, 1995, and as amended on December 6, 1995, of Reckson Operating Partnership, L.P., by and among Reckson Associates Realty Corp. and such Limited Partners. The undersigned agrees that this signature page may be attached to any counterpart of said Amended and Restated Agreement of Limited Partnership.

Signature line for Limited Partner /s/ Dawn Kenney
Dawn Kenney

Address of Limited Partner c/o Reckson Associates
225 Broadhollow Road
Melville, New York 11747

Date: January 2, 1996

LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to become one of the within named Limited Partners of Reckson Operating Partnership, L.P., hereby becomes a party to the Amended and Restated Agreement of Limited Partnership, dated as of June 2, 1995, and as amended on December 6, 1995, of Reckson Operating Partnership, L.P., by and among Reckson Associates Realty Corp. and such Limited Partners. The undersigned agrees that this signature page may be attached to any counterpart of said Amended and Restated Agreement of Limited Partnership.

Signature line for Limited Partner /s/ Gabriel Friedman
Gabriel Friedman

Address of Limited Partner c/o Reckson Associates
225 Broadhollow Road
Melville, New York 11747

Date: December 30, 1995

BWNY/87854.18

LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to become one of the within named Limited Partners of Reckson Operating Partnership, L.P., hereby becomes a party to the Amended and Restated Agreement of Limited Partnership, dated as of June 2, 1995, and as amended on December 6, 1995, of Reckson Operating Partnership, L.P., by and among Reckson Associates Realty Corp. and such Limited Partners. The undersigned agrees that this signature page may be attached to any counterpart of said Amended and Restated Agreement of Limited Partnership.

Signature line for Limited Partner /s/ Carl Austin
Carl Austin

Address of Limited Partner

Austin Corporate Properties, Inc.
1 North Lexington Avenue
White Plains, New York 10601-1712

Date: February 22, 1996

BWNY/87854.18

LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to become one of the within named Limited Partners of Reckson Operating Partnership, L.P., hereby becomes a party to the Amended and Restated Agreement of Limited Partnership, dated as of June 2, 1995, and as amended on December 6, 1995, of Reckson Operating Partnership, L.P., by and among Reckson Associates Realty Corp. and such Limited Partners. The undersigned agrees that this signature page may be attached to any counterpart of said Amended and Restated Agreement of Limited Partnership.

TARRYTOWN CORPORATE CENTER

Signature line for Limited Partner /s/ Jon L. Halpern
By: Jon L. Halpern
Its: General Partner

Address of Limited Partner c/o JAH Realties, L.P.
580 White Plains Road
Tarrytown, New York 10591

Date: February 22, 1996

BWNY/87854.18

LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to become one of the within named Limited Partners of Reckson Operating Partnership, L.P., hereby becomes a party to the Amended and Restated Agreement of Limited Partnership, dated as of June 2, 1995, and as amended on December 6, 1995, of Reckson Operating Partnership, L.P., by and among Reckson Associates Realty Corp. and such Limited Partners. The undersigned agrees that this signature page may be attached to any counterpart of said Amended and Restated Agreement of Limited Partnership.

TARRYTOWN CORPORATE CENTER IV, L.P.

By: JLH Realty Management Service, Inc.
Its General Partner

Signature line for Limited Partner /s/ Jon L. Halpern
By: Jon L. Halpern
Its: President

Address of Limited Partner c/o JAH Realties, L.P.
580 White Plains Road
Tarrytown, New York 10591

Date: February 22, 1996

BWNY/87854.18

LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to become one of the within named Limited Partners of Reckson Operating Partnership, L.P., hereby becomes a party to the Amended and Restated Agreement of Limited Partnership, dated as of June 2, 1995, and as amended on December 6, 1995, of Reckson Operating Partnership, L.P., by and among Reckson Associates Realty Corp. and such Limited Partners. The undersigned agrees that this signature page may be attached to any counterpart of said Amended and Restated Agreement of Limited Partnership.

TARRYTOWN CORPORATE CENTER II

Signature line for Limited Partner /s/ Jon L. Halpern
By: Jon L. Halpern
Its: General Partner

Address of Limited Partner c/o JAH Realties, L.P.
580 White Plains Road
Tarrytown, New York 10591

Date: February 22, 1996

BWNY/87854.18

LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to become one of the within named Limited Partners of Reckson Operating Partnership, L.P., hereby becomes a party to the Amended and Restated Agreement of Limited Partnership, dated as of June 2, 1995, and as amended on December 6, 1995, of Reckson Operating Partnership, L.P., by and among Reckson Associates Realty Corp. and such Limited Partners. The undersigned agrees that this signature page may be attached to any counterpart of said Amended and Restated Agreement of Limited Partnership.

COLONEL REALTIES

By: J.A.H. Realties, L.P.

Signature line for Limited Partner /s/ Jon L. Halpern
By: Jon L. Halpern
Its: General Partner

Address of Limited Partner c/o JAH Realties, L.P.
580 White Plains Road
Tarrytown, New York 10591

Date: February 22, 1996

LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to become one of the within named Limited Partners of Reckson Operating Partnership, L.P., hereby becomes a party to the Amended and Restated Agreement of Limited Partnership, dated as of June 2, 1995, and as amended on December 6, 1995, of Reckson Operating Partnership, L.P., by and among Reckson Associates Realty Corp. and such Limited Partners. The undersigned agrees that this signature page may be attached to any counterpart of said Amended and Restated Agreement of Limited Partnership.

CHURCH STREET ASSOCIATES

By: J.A.H. Realties, L.P.

Signature line for Limited Partner /s/ Jon L. Halpern
By: Jon L. Halpern
Its: General Manager

Address of Limited Partner c/o JAH Realties, L.P.
580 White Plains Road
Tarrytown, New York 10591

Date: February 22, 1996

BWNY/87854.18

LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to become one of the within named Limited Partners of Reckson Operating Partnership, L.P., hereby becomes a party to the Amended and Restated Agreement of Limited Partnership, dated as of June 2, 1995, and as amended on December 6, 1995, of Reckson Operating Partnership, L.P., by and among Reckson Associates Realty Corp. and such Limited Partners. The undersigned agrees that this signature page may be attached to any counterpart of said Amended and Restated Agreement of Limited Partnership.

HALPERN ENTERPRISES, INC.

Signature line for Limited Partner /s/ Jon L. Halpern
By: Jon L. Halpern
Its: President

Address of Limited Partner c/o JAH Realties, L.P.
580 White Plains Road
Tarrytown, New York 10591

Date: February 22, 1996

BWNY/87854.18

LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to become one of the within named Limited Partners of Reckson Operating Partnership, L.P., hereby becomes a party to the Amended and Restated Agreement of Limited Partnership, dated as of June 2, 1995, and as amended on December 6, 1995, of Reckson Operating Partnership, L.P., by and among Reckson Associates Realty Corp. and such Limited Partners. The undersigned agrees that this signature page may be attached to any counterpart of said Amended and Restated Agreement of Limited Partnership.

HALPERN BUILDING CORPORATION

Signature line for Limited Partner /s/ Jon L. Halpern
By: Jon L. Halpern
Its: President

Address of Limited Partner c/o JAH Realties, L.P.
580 White Plains Road
Tarrytown, New York 10591

Date: February 22, 1996

BWNY/87854.18

LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to become one of the within named Limited Partners of Reckson Operating Partnership, L.P., hereby becomes a party to the Amended and Restated Agreement of Limited Partnership, dated as of June 2, 1995, and as amended on December 6, 1995, of Reckson Operating Partnership, L.P., by and among Reckson Associates Realty Corp. and such Limited Partners. The undersigned agrees that this signature page may be attached to any counterpart of said Amended and Restated Agreement of Limited Partnership.

JAH REALTIES, L.P.

By: JLH Realty Service Management, Inc.
Its General Partner

Signature line for Limited Partner /s/ Jon L. Halpern
By: Jon L. Halpern
President

Address of Limited Partner c/o JAH Realties, L.P.
660 White Plains Road
Tarrytown, New York 10591

Date: April 9, 1996

BWNY/87854.18

SL GREEN REALTY CORP.

AMENDED & RESTATED NON-EMPLOYEE DIRECTORS' DEFERRAL PROGRAM

SL Green Realty Corp., a corporation organized under the laws of the State of Maryland, maintains the Stock Option Plan. Among the forms of compensation contemplated by the Stock Option Plan are awards to Directors. The Company wishes to align further the interests of Directors and stockholders and generally increase the effectiveness of its compensation structure for Directors, by implementing the Program. In furtherance thereof, and by the authority to make grants under the Stock Option Plan, the Program is adopted to implement certain such grants, and to govern the manner in which the Shares underlying such grants shall be delivered, as set forth herein. In addition, the Program provides for other deferrals of certain directors' fees in accordance with the terms hereof.

1. Definitions.

Capitalized terms used herein without definitions shall have the meanings given to those terms in the Stock Option Plan. In addition, whenever used herein, the following terms shall have the meanings set forth below except as the context requires otherwise:

"Account" means a deferred compensation account established for a Participant in accordance with Section 5.2(d).

"Change of Control" shall have the same meaning as Change in Control under the Stock Option Plan.

"Measurement Fund" shall mean any open-ended mutual fund selected by a Participant in which a Participant's Account may be deemed invested for the purpose of crediting or debiting additional amounts to a Participant's Account pursuant to Section 5.2(f) of the Program. Notwithstanding the foregoing, the Company reserves the right in its reasonable judgment to reject a Participant's selection of any such open-ended mutual fund, in which case the Company will promptly provide notice to the Participant and the Participant may select an alternative open-ended mutual fund. None of the Company, the Board or the Committee nor any employee, officer, or director thereof, undertakes as part of the Program (or in its operation) any obligation to any Participant (or any other person) to review the prudence or suitability of any Measurement Fund selected by a Participant; nor shall any of them have any liability to any Participant (or any other person) regarding any claim relating to adjustments to the Account based on investment experience or any claim relating to the selection of any Measurement Fund.

"Participant" means a Director of the Company who is credited hereunder with one or more Phantom Shares or who has otherwise deferred receipt of fees hereunder as permitted by the Board.

"Person" shall have the meaning used in Sections 13(d) and 14(d) of the Exchange Act.

"Program" means the Company's Amended & Restated Non-Employee Directors' Deferral Program, as set forth herein and as the same may from time to time be amended.

"Regular Distribution Date" means the date determined under Section 8.

"Stock Option Plan" means the SL Green Realty Corp. Amended and Restated 2005 Stock Option and Incentive Plan, as amended from time to time.

“Valuation Date” means the last day of each calendar month and such additional dates as the Board may designate.

2. Grants Under the Stock Option Plan; Administration of Program.

The Shares underlying Phantom Shares hereunder, including under Sections 5.2(c), 6.1 and 7(b) hereof, shall constitute grants of Shares under and governed by the Stock Option Plan to Directors, and the rules of the Program relating to Phantom Shares shall constitute rules for purposes of the Program governing the manner in which such Shares shall be delivered. Thus, the Phantom Shares shall be subject in all respects to the provisions of the Stock Option Plan, including without limitation as to interpretation, beneficiary designation, exculpation (and indemnification) and all other matters of administration, and the provisions of the Stock Option Plan are hereby incorporated by reference as if set forth herein. Further, the cash payments under the Program not relating to Phantom Shares shall also be governed by the same rules as are established under the Stock Option Plan as to interpretation, beneficiary designation, exculpation (and indemnification) and all other matters of administration.

3. Effective Date of Program; Termination of the Program.

The purpose of the Program is to establish a plan of non-qualified deferred compensation that meets the requirements of Section 409A of the Code. Until such time as the Program is amended or terminated, the terms of the Program shall govern all Director deferral elections currently in place as of the date hereof (including any deferral made under a predecessor program) or made hereunder in the future. The Program was approved by the Board on December 12, 2007. The Program shall terminate on, and no Phantom Shares shall be granted or other deferrals made hereunder on or after, June 2, 2026 (and, in the case of Phantom Shares, the date of termination or expiration of the Stock Option Plan, if earlier).

4. Eligibility.

Except as otherwise determined by the Board, each individual who is a Director of the Company shall be eligible to participate in the Program.

5. Cash Fees.

5.1 Types of Fees.

In consideration of each Director’s service as a member of the Board, each Director may be eligible from time to time, under the Company’s director compensation arrangements, to receive as compensation (i) periodic retainer fees, a portion of which is payable in cash or Shares, as elected by the Participant (a “Cash Retainer”), and a portion of which is payable in Shares (an “Equity Retainer”); (ii) in the case of the chairman of each of the committees of the Board, additional periodic retainer fees (“Chairmen’s Retainers”); (iii) a fee per Board meeting attended, to be paid following each meeting (a “Meeting Fee”); and (iv) a fee per committee meeting attended, to be paid following each meeting (a “Committee Meeting Fee”). These amounts are subject to deferral under the Program, as set forth herein.

5.2 Election to Defer Cash Fees.

(a) The Participant may elect that up to 100% (in increments of 1%) of the Participant’s Cash Retainer, Chairmen’s Retainer, Meeting Fee and Committee Meeting Fee (collectively, the “Cash Fees”) shall be payable as compensation deferred under the Program. With respect to a Participant’s election to defer all or a portion of the Cash Fees for a calendar year, such election shall be made prior to December 1st

of the year preceding such calendar year, except that in the case of a new Participant, the Participant may make an election within 30 days after such Participant first becomes eligible to participate in accordance with Section 4, with respect to Cash Fees otherwise payable in the calendar year of the election, for services performed after the effective date of such election. All deferrals under this Section 5.2 shall be fully vested; provided that, before or concurrently with any deferral, and in the event that there are vesting conditions applicable in respect of the underlying Cash Fees, the Board may provide for vesting conditions to be applicable in respect of the corresponding deferral.

(b) The election described in Section 5.2(a) shall be made in writing substantially in such form as the Board may prescribe from time to time, within the times specified herein. With respect to a Participant's election to defer all or a portion of the annual retainer, such election shall be irrevocable as of the first day of the applicable annual period. Except as set forth above in this Section 5.2(b), elections described in Section 5.2(a) shall continue in effect from period to period and from meeting to meeting, as applicable.

(c) Cash Fees deferred under this Section 5.2 of the Program shall not be paid currently but rather shall be credited to such Participant in the form of (x) Phantom Shares, (y) Cash Credits (as defined in Section 5.2(e)) or (z) Measurement Fund Credits (as defined in Section 5.2(f)), as elected by the Participant at the time an election is made under Section 5.2(a). Unless otherwise determined by the Board, if no such election among these options is made by a Participant, Cash Fees deferred by a Participant will be credited to such Participant in the form of Phantom Shares.

(d) Unless otherwise determined by the Board, the number of Phantom Shares to be credited with respect to Cash Fees deferred pursuant to Section 5.2(a) above shall be equal to (i) the amount of Cash Fees to be paid divided by (ii) the Fair Market Value of a Share on the date such Cash Fees otherwise would have been paid.

(e) A Participant may elect, prior to earning a Cash Fee, to defer such a Cash Fee in the form of a credit to the Participant's Account, to be adjusted for accruals of any earnings and losses over time as set forth below ("Cash Credits"), rather than in the form of Phantom Shares. Upon such an election, the amount of the deferred fee shall not be paid currently but rather shall be credited to the Participant's Account in the form of Cash Credits. Such Cash Credits shall be made when Cash Fees would otherwise have been paid to the Participant but for an election pursuant to Section 5.2(a). A separate subaccount under each Participant's Account may in the discretion of the Board be established to record each year's deferrals, and the credits and deductions with respect thereto. With respect to Cash Credits under this Section 5.2(e), earnings and losses shall accrue on the balance in the applicable Participant's Account at the rate or rates specified in advance of the effective time of the applicability of such rate or rates, and from time to time, by the Board. As determined by the Board, such rate or rates may be a fixed rate, and may be established by reference to an index or indices, or may be a return on one or more specific investments or on a specific investment fund or funds. If the Board does not select a rate, the rate shall be equal to the 30-day LIBOR rate in effect at the beginning of a month plus 2%. Earnings and losses shall be credited or debited to Participants' Accounts as of the end of each calendar month and, with respect to any particular Participant's Account, shall continue to be credited or debited thereto until all amounts are distributed or reallocated to Phantom Shares of Measurement Fund Credits (as defined herein) pursuant to Section 5.2(g) with respect to the Participant's Account in accordance with the Program.

(f) A Participant may elect, prior to earning a Cash Fee, to defer such a Cash Fee in the form of a credit to the Participant's Account, to be adjusted for accruals of any earnings and losses over time with respect to the performance of one or more Measurement Funds selected by the Participant ("Measurement Fund Credits"), rather than in the form of Phantom Shares. In connection with such election, the Participant shall specify the percentage or amount of his or her deferral to be allocated to each Measurement Fund (as

if the Participant was making an investment in that Measurement Fund with that portion of the Participant's deferred Cash Fee). Upon such an election, the amount of the deferred fee shall not be paid currently but rather shall be credited to the Participant's Account in the form of Measurement Fund Credits. Such Measurement Fund Credits shall be made when Cash Fees would otherwise have been paid to the Participant but for an election pursuant to Section 5.2(a). A separate subaccount under each Participant's Account may in the discretion of the Board be established to record each year's deferrals, and the credits and deductions with respect thereto based on the performance of the Measurement Funds selected by the Participant. With respect to Measurement Fund Credits under this Section 5.2(f), earnings and losses shall accrue on the balance in the applicable Participant's Account as if such amounts were invested in the applicable Measurement Funds and based on the allocation among Measurement Funds selected by the Participant. Earnings and losses shall be credited or debited to Participants' Accounts as of the end of each calendar month and, with respect to any particular Participant's Account, shall continue to be credited or debited thereto until all amounts are distributed or reallocated to Phantom Shares or Cash Credits pursuant to Section 5.2(g) with respect to the Participant's Account in accordance with the Program.

(g) A Participant may elect, one time during each calendar quarter, to convert his or her Account (including any portion thereof that represents the deferral of any portion of the Equity Retainer in the form of Phantom Shares pursuant to Section 6, below) as of March 1, June 1, September 1 and December 1 (or such other date or dates as the Board shall determine) (each such date, a "Transfer Date") from a previously selected option (*i.e.*, Phantom Shares, Cash Credits or Measurement Fund Credits), in whole or in part (but, in the case of Phantom Shares, only in whole Phantom Shares) to another form, with credits and liquidation of Phantom Shares to be effected based on the Phantom Share Value as of the applicable Transfer Date (or if there are no market quotations for such Transfer Date, the last date preceding such date for which there are market quotations), and credits and liquidation of Cash Credits and Measurement Fund Credits to be effected based on applicable Account values as of such Transfer Date (or if there are no market quotations for a Measurement Fund for such Transfer Date, the last date preceding such date for which there are market quotations for the applicable Measurement Fund(s)). Notwithstanding the foregoing, a Participant who has elected to convert his account (or any portion thereof) from Cash Credits or Measurement Fund Credits to Phantom Shares may not convert his or her account (or any portion thereof) out of Phantom Shares within six months of the initial conversion, and a Participant who has elected to convert his or her account (or any portion thereof) from Phantom Shares into Cash Credits or Measurement Fund Credits may not convert his or her account into Phantom Shares within six months of the initial conversion. Further, any transfer into or from Phantom Shares shall be subject to all insider trading rules and policies of the Company. In addition, to the extent that a Participant has elected Measurement Fund Credits, the Participant may elect to change the applicable Measurement Fund(s) and/or the proportional allocation of the Participant's deemed investment in such Measurement Funds on a quarterly basis by providing written notice to the Company at least five (5) business days (or such shorter period as the Company may permit) prior to a Transfer Date. Such changes shall be deemed effective as of the applicable Transfer Date, or the first business day thereafter (or such other date or dates as the Company may permit) after such written notice is provided.

(h) In the event of an actual or expected Change of Control, the Company will send a notice of such actual or expected Change of Control to each Participant who has not elected to receive all of such Participant's distributions hereunder upon a Change of Control, and will use commercially reasonable efforts to deliver such notice at least 20 calendar days prior to a Change of Control. Upon receipt of such notice, each such Participant may elect to convert Phantom Shares to Cash Credits or Measurement Fund Credits in whole or in part (but, in the case of Phantom Shares, only in whole Phantom Shares) as of the later of (i) the occurrence of the Change of Control, (ii) the 15th calendar day after the delivery of such notice or (iii) such other date as is established by the Board, with credits and liquidation of Phantom Shares to be effected based on the Phantom Share Value as of such date.

(i) The establishment and maintenance of, and credits to and deductions from, the Participant's Account shall be mere bookkeeping entries, and shall not vest in the Participant or his beneficiary any right, title or interest in or to any specific assets of the Company or of any Measurement Fund. A separate subaccount under each Participant's Account shall be established to record each year's deferrals, and the credits and deductions with respect thereto.

6. Phantom Shares.

6.1 Credits of Phantom Shares.

Each Director may elect to receive a credit of Phantom Shares in respect of each portion of an Equity Retainer that would be payable on any particular date without regard to the Program. With respect to a Participant's election to defer an Equity Retainer for a calendar year, such election shall be made prior to December 1st of the year preceding such calendar year, except that in the case of a new Participant, the Participant may make an election within 30 days after such Participant first becomes eligible to participate in accordance with Section 4, with respect to the Equity Retainer otherwise payable in the calendar year of the election, for services performed after the effective date of such election.

6.2 Vesting.

Phantom Shares deferred under Section 6.1 shall be fully vested; provided that, before or concurrently with any grant under Section 6.1, the Board may provide (consistently with such vesting conditions as may be applicable in respect of the underlying Cash Fee or Equity Retainer, as applicable) for different vesting conditions to be applicable to such grant.

7. Dividend Equivalent Rights.

(a) Except as may otherwise be provided by the Board at or before the time the applicable Phantom Share is credited, Directors will receive a dividend equivalent right in respect of any credited Phantom Shares (whether from deferred Cash Fees or from the Equity Retainer), which right consists of the right to receive a cash payment in an amount equal to the regular cash dividend distributions paid on a Share from time to time. Except as provided in Section 7(b), or as may otherwise be provided by the Board at or before the time the applicable Phantom Share is paid, payment in respect of a dividend equivalent right shall be made at the same time as dividends are paid on the Common Stock.

(b) Instead of the form of payment as contemplated by Section 7(a) above, except as may otherwise be provided by the Board, a Participant may elect to have Phantom Shares credited, or credits to the Participant's Account made, in respect of the dividend equivalent rights referred to in Section 7(a). Unless otherwise determined by the Board, the number of Phantom Shares (if any) to be credited with respect to a dividend equivalent right shall be equal to (i) the amount of the payment in respect of the dividend equivalent right otherwise to be made divided by (ii) the Fair Market Value of a Share on the date the corresponding dividend distribution is made to stockholders of the Company; provided that such Phantom Share shall vest at such time as the underlying Phantom Share vests. In the case of a credit to the Account, the amount of the credit shall be equal to the amount of the applicable cash dividend (such credit to be made on the date the corresponding dividend distribution is made to stockholders of the Company); provided that the portion of the Account relating to such credit, as adjusted for earnings and losses, shall vest at such time as the underlying Phantom Share vests.

(c) Notwithstanding any other provision hereof to the contrary: (i) a Participant may only elect to receive payments in respect of a dividend equivalent right at the same time as dividends are paid on

Common Stock, if the Participant has elected that Phantom Shares or the Participant's Account be settled on the Regular Distribution Date and (ii) if a Participants elects to defer the receipt of payments received in respect of a dividend equivalent right as provided in Section 7(b), payment with respect to such deferred amounts shall be settled at the same time as any Phantom Shares or the Participant’s Account (which, for the avoidance of doubt, may be on the Regular Distribution Date or thereafter). If a Participant has elected to receive payments in respect of dividend equivalent rights as provided under clause (i) above, a Participant may amend their distribution election pursuant to Section 8(d) only with respect to the deferral of Cash Fees or the Equity Retainer; provided, however, that in no event shall payments made in respect of dividend equivalent rights be made following the Regular Distribution Date.

8. Settlement and Withdrawal.

(a) Distributions with respect to (i) vested Phantom Shares will be settled by the transfer of Common Stock to the Participant, or, solely in cash or in a combination of cash and Common Stock in the discretion of the Board, with an aggregate amount of any cash and the Fair Market Value of any such Common Stock to equal the aggregate Phantom Share Value of such Phantom Shares on the date of such distribution; and (ii) Cash Credits and Measurement Fund Credits in a Participant’s Account will be settled by a cash payment to the Participant, in an amount equal to the value of such credits in the Participant’s Account as of the Valuation Date coincident with or immediately prior to the date of such distribution. Unless otherwise elected, as provided below, such distributions shall be made as soon as practicable after the Regular Distribution Date by the transfer of Common Stock, cash or both, as applicable, to the Participant.

(b) The Regular Distribution Date with respect to a Participant is the earlier of (i) the January 1 coincident with or next following the earlier of (A) the Director’s ceasing to be a Director, and (B) the Director’s death, and (ii) a Change of Control (the “Regular Distribution Date”).

(c) A Director will be permitted, prior to the beginning of the applicable annual period, to elect to receive distributions at times other than the Regular Distribution Date. Except as provided in Section 7(c), each such election will apply to all Phantom Shares and credits to a Participant’s Account after the election is made, unless the Director specifically elects otherwise.

(d) After a Phantom Share is awarded or cash fees are deferred to a Participant’s Account, the Director will have a one-time right to make a new distribution election with respect thereto. The new election will not take effect until at least 12 months after the date on which the election is made. Except as provided in Section 7(c), each such new election will apply to all vested Phantom Shares and credits to the deferral Account (other than distributions that do not satisfy the timing requirements of the foregoing sentence), unless the Director specifically elects otherwise. Except in the case of the Director’s death or an Unforeseeable Emergency, the time at which distributions commence must be at least five years from the date such payment would otherwise have been paid.

(e) All distributions in respect of Phantom Shares and Participant Accounts will be made no later than 45 days after the amounts become eligible for settlement as provided in this Section 8; provided, however, that, in lieu of providing a single delivery of Common Stock or a single sum of cash, a Director may elect to have the aggregate amounts paid in substantially equal annual installments over a period not to exceed 10 years. (The amount of each installment shall be determined without regard to the possibility of earnings and losses subsequent to such installment.) Any such election must be made (and may be changed only) within the time frame for making distribution elections as described in Section 8(c) or (d), as applicable. A Director may elect to be paid out on an installment basis with respect to all Regular Distribution Dates, or only with respect to a Regular Distribution Date resulting from the Director’s ceasing to be a Director, the Director’s death or a Change of Control.

(f) Notwithstanding the foregoing provisions of this Section 8, a Participant may receive any amounts deferred by the Participant in the event of an “Unforeseeable Emergency.” For these purposes, an “Unforeseeable Emergency,” as determined by the Board in its sole discretion, is a severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or “dependent,” as defined in Section 152(a) of the Code, of the Participant, loss of the Participant’s property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The circumstances that will constitute an Unforeseeable Emergency will depend upon the facts of each case, but, in any case, payment may not be made to the extent that such hardship is or may be relieved:

(i) through reimbursement or compensation by insurance or otherwise,

(ii) by liquidation of the Participant’s assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or

(iii) by future cessation of the making of additional deferrals.

Without limitation, the need to send a Participant’s child to college or the desire to purchase a home shall not constitute an Unforeseeable Emergency. Distributions of amounts because of an Unforeseeable Emergency shall be permitted to the extent reasonably needed to satisfy the emergency need.

(g) Notwithstanding the foregoing provisions of this Section 8, in the event of a Change of Control, the Regular Distribution Date shall be the date of such Change of Control and all amounts due with respect to Phantom Shares and Accounts to a Participant hereunder shall be paid as soon as practicable (but in no event more than 30 days) after such Change of Control, unless the Board permits such Participant to elect otherwise and the Participant so elects in accordance with procedures established by the Board.

9. Amendment and Modification.

(a) The Board may amend the Program as it shall deem advisable, except that no amendment may adversely affect a Participant with respect to deferred cash fees or equity awards previously credited unless such amendments are required in order to comply with applicable laws; provided that the Board may not make any amendment to the Program that would, if such amendment were not approved by the holders of the Common Stock, cause the Program to fail to comply with any requirement of applicable law or regulation, unless and until the approval of the holders of such Common Stock is obtained.

(b) The Board may make such changes to the Program as may be necessary or appropriate to comply with the rules and regulations of any government authority or to obtain tax benefits applicable to deferred or phantom equity units.

(c) The authority under Section 14 of the Stock Option Plan to adjust for changes in capital structure is hereby expressly applicable to Phantom Shares, and shall permit appropriate adjustments, without limitation, to the number of Phantom Shares credited, Phantom Share Value, dividend equivalent rights and the number and kind of shares to be distributed in respect of Phantom Shares (as applicable).

10. Assignment and Alienation; No Funding; Etc.

(a) Rights or benefits with respect to cash fees or equity awards credited to a Participant’s Account under the Program (including any related dividend equivalent rights) shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, charge, garnishment, execution, or levy of any kind, either voluntary or involuntary, prior to actually being received by the person

entitled to the benefit under the terms of the Program; and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, attach, charge or otherwise dispose of any right or benefits payable hereunder shall be void.

(b) Phantom Shares and the Accounts are solely a device for the measurement and determination of the amounts to be paid to a Participant under the Program. Each Participant's right in the Phantom Shares (including any related dividend equivalent rights) and the Accounts is limited to the right to receive payment, if any, as may herein be provided. The Phantom Shares do not constitute Common Stock and any other credits to a Participant's Account hereunder shall not be treated as (or as giving rise to) property or as a trust fund of any kind; provided, however, that the Company may establish a mere bookkeeping reserve to meet its obligations hereunder or a trust or other funding vehicle that would not cause the Program to be deemed to be funded for tax purposes. Notwithstanding anything to the contrary contained in the Program, the right of any Participant to receive payments by virtue of participation in the Program shall be no greater than the right of any unsecured general creditor of the Company. Nothing contained in the Program, and no action taken pursuant to the provisions of the Program (including without limitation Section 4.2(d)), shall create or shall be construed to create a trust of any kind, or a fiduciary relationship between the Company or its officers or the Board, on the one hand, and the Participant, the Company or any other person or entity, on the other. Nothing contained in the Program shall be construed to give any Participant any rights with respect to Shares or any ownership interest in the Company. No provision of the Program shall be interpreted to confer upon any Participant any voting, dividend (except as provided in accordance with Section 7) or derivative or other similar rights with respect to any Phantom Share.

11. Captions.

The use of captions in the Program is for convenience. The captions are not intended to provide substantive rights.

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Approved as of the 13th day of December, 2017, and executed as of the 13th day of December, 2017 by a duly authorized officer of SL Green Realty Corp.

SL GREEN REALTY CORP.:

By: /s/ Andrew S. Levine

Name: Andrew S. Levine

Title: Executive Vice President, Chief Legal Officer and General Counsel

[Signature Page to Amended & Restated Non-Employee Directors' Deferral Program]

FIRST AMENDMENT TO AMENDED AND RESTATED EMPLOYMENT AND NONCOMPETITION AGREEMENT

This FIRST AMENDMENT TO AMENDED AND RESTATED EMPLOYMENT AND NONCOMPETITION AGREEMENT (this "Amendment"), effective as of August 28, 2014 is made by and between Andrew W. Mathias ("Executive") and SL Green Realty Corp., a Maryland corporation with its principal place of business at 420 Lexington Avenue, New York, New York 10170 (the "Employer").

WHEREAS, the Employer and the Executive entered into that certain Amended and Restated Employment and Noncompetition Agreement, dated as of November 8, 2013 (the "Employment Agreement"); and

WHEREAS, pursuant to Section 12 of the Employment Agreement, the Employer and the Executive desire to amend certain terms of the Employment Agreement as set forth in this Amendment.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein and for other good and valuable consideration, the receipt of which is mutually acknowledged, the Employer and the Executive agree as follows:

1. Exhibit A of the Employment Agreement is hereby amended and restated as it relates to the 2015 and 2016 time-based and performance-based vesting equity awards described thereon (the "Awards") as set forth on Exhibit A hereto to, among other things, (i) provide that all of the Awards (as opposed to 60% of the Awards) will be subject to performance-based vesting hurdles and (ii) increase the performance-based vesting hurdles that must be achieved to earn the Awards. The terms of Exhibit A of the Employment Agreement relating to the 2014 grants and the Outperformance Plan Allocation, which have already been made, remain in full force and effect.

2. Except as expressly amended hereby, the Employment Agreement, including, without limitation, Section 3 thereof regarding Executive's compensation and benefits, continues in full force and effect in accordance with its terms. The Employment Agreement, together with any Exhibits thereto and this Amendment, constitutes the entire understanding and agreement of the parties hereto regarding the employment of the Executive. Capitalized terms used herein but not otherwise defined shall have the meaning set forth in the Employment Agreement.

3. This Amendment shall be governed and construed in accordance with the laws of the State of New York, without regard to any principles of conflicts of laws which could cause the application of the laws of any jurisdiction other than the State of New York.

4. This Amendment may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original but all such counterparts together shall constitute one and the same instrument. Each counterpart may consist of two copies hereof each signed by one of the parties hereto.

[Remainder of page intentionally left blank]

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

SL GREEN REALTY CORP.:

By: /s/ Andrew S. Levine
Name: Andrew S. Levine
Title: Executive Vice President, Chief Legal Officer and General Counsel

EXECUTIVE:

/s/ Andrew W. Mathias
Name: Andrew W. Mathias

[Signature Page to Mathias Employment Agreement]

EXHIBIT A

Time-Based Vesting Equity Awards

2015 Grant

[Intentionally omitted]

2016 Grant

[Intentionally omitted]

Performance-Based Vesting Equity Awards

2015 Grant

1. Plan: The Plan
2. Type of Award: LTIP units in SL Green Operating Partnership, L.P.
3. Grant Date: On or before December 31, 2015
4. Total Number of Units: 58,667
5. The Special LTIP Unit Sharing Percentage will equal 10% and the Distribution Participation Date will be the vesting date. To the extent the aggregate amount of distributions that would have been received on vested LTIP units from January 1, 2014 through the vesting date (if the Distribution Participation Date had been the issuance date) exceeds the amount of the Special LTIP Unit Distribution that Executive becomes entitled to upon such vesting date, Executive will be entitled to receive a cash payment in such amount on such vesting date.
6. Vesting: Subject to acceleration as set forth in the Agreement, and subject to the provisions set forth below in connection with a Change-in-Control, the units shall vest on December 31, 2015 (the “Vesting Date”), if employment continues through such date and the performance-based vesting criteria set forth below are satisfied on such date, or, if the units do not vest on December 31, 2015, on the Subsequent Vesting Date if the performance-based vesting criteria set forth below are satisfied, provided that employment continues through such date. For purposes of this paragraph, “Subsequent Vesting Date” shall mean December 31, 2016.

   The performance criteria applicable to the units subject to performance-based vesting are as follows:

   (i) Such units shall vest on the Vesting Date if the Employer achieves either (A) an increase in funds from operations (“FFO”) on a per share of Common Stock of the Employer basis at an annualized rate of at least 8% per year, (B) total return to stockholders on a per share of Common Stock of the Employer basis at an annualized rate of at least 8% per year or (C) a percentage total return to stockholders on each share of Common Stock of the Employer outstanding during the entire period in the top 35% of the constituents of the MSCI US REIT Index, in each case, during fiscal year 2015.

   (ii) If the performance criteria set forth in clause (i) above are not achieved, but would have been achieved if the period for which they were measured had been the period from the beginning of 2014 through the end of 2015, then, if and as employment continues through the Vesting Date, the performance criteria will be met for such units as of the Vesting Date. If the units do not vest on the Vesting Date and the performance criteria set forth in clause (i) above would have been achieved if the period for which they were measured had been the period from the beginning of 2013 through the end of a fiscal quarter ending on or after March 31, 2016 and on or before the Subsequent Vesting Date, then, if and as employment continues through the Subsequent Vesting Date, the performance criteria will be met for such units as of the Subsequent Vesting Date. Any units subject to performance-based vesting that have not vested as of the Subsequent Vesting Date shall be forfeited.

Total return to stockholders shall be calculated based on the average of the Fair Market Value of one share of Common Stock for the ten (10) trading days at the beginning and end of such period, plus the per share amount of all dividends with an ex-dividend date occurring during such period.

7. Change-in-Control: If a Change-in-Control occurs prior to (a) December 31, 2016 and (b) the vesting of the LTIP units and (c) the termination of Executive's employment, then (i) 40% of the units (corresponding to the units that, prior to this Amendment, were to be subject to only time-based vesting hurdles) shall vest on December 31, 2015 (or, if later, the date of the Change-in-Control) if Executive's employment continues or continued through such date and (ii) with respect to the remaining units, performance-based vesting will be measured in accordance with the vesting criteria set forth above using the period from the beginning of 2015 or 2014, as applicable, through the date of the Change-in-Control (as opposed to the period otherwise set forth above), but vesting of the LTIP units will remain subject to Executive's continued employment through the later of the Vesting Date or the date of such Change-in-Control, subject to acceleration as set forth in the Agreement. For purposes of measuring FFO performance in the event of a Change-in-Control, FFO will be measured from the beginning of the period through the end of the most recently completely quarter prior to the Change-in-Control for which financial results were publicly released by the Employer. In the event Executive is terminated without Cause or for Good Reason in connection with or within 18 months of such a Change-in-Control, all of the units will vest upon such termination regardless of whether performance-based vesting had previously occurred.

8. No Sell: Executive may not sell, assign, transfer, or otherwise encumber or dispose of LTIP units until the earlier of (i) the date that is two years after such shares/units vested, (ii) the termination of Executive's employment or (iii) a Change-in-Control.

<u>2016 Grant</u>

1. Plan: The Plan
2. Type of Award: LTIP units in SL Green Operating Partnership, L.P.
3. Grant Date: On or before December 31, 2016
4. Total Number of Units: 58,667
5. The Special LTIP Unit Sharing Percentage will equal 10% and the Distribution Participation Date will be the vesting date. To the extent the aggregate amount of distributions that would have been received on vested LTIP units from January 1, 2014 through the vesting date (if the Distribution Participation Date had been the issuance date) exceeds the amount of the Special LTIP Unit Distribution that Executive becomes entitled to upon such vesting date, Executive will be entitled to receive a cash payment in such amount on such vesting date.
6. Vesting: Subject to acceleration as set forth in the Agreement, and subject to the provisions set forth below in connection with a Change-in-Control, the units shall vest in their entirety on December 31, 2016 (the "Vesting Date"), if employment continues through such date and the performance-based vesting criteria set forth below are satisfied on such date.

   The performance criteria applicable to the units subject to performance-based vesting are as follows:

   (i) Such units shall vest on the Vesting Date if the Employer achieves either (A) an increase in FFO on a per share of Common Stock of the Employer basis at an annualized rate of at least 8% per year, (B) total return to stockholders on a per share of Common Stock of the Employer basis at an annualized rate of at least 8% per year or (C) a percentage total return to stockholders on each share of Common Stock of the Employer outstanding during the entire period in the top 35% of the constituents of the MSCI US REIT Index, in each case, during fiscal year 2016.

   (ii) If the performance criteria set forth in clause (i) above are not achieved, but would have been achieved if the period for which they were measured had been the period from the beginning of

2014 through the end of 2015, then, if and as employment continues through the Vesting Date, the performance criteria will be met for such units as of the Vesting Date. Any units subject to performance-based vesting that have not vested as of the Vesting Date shall be forfeited.

Total return to stockholders shall be calculated based on the average of the Fair Market Value of one share of Common Stock for the ten (10) trading days at the beginning and end of such period, plus the per share amount of all dividends with an ex-dividend date occurring during such period.

7. Change-in-Control: If a Change-in-Control occurs prior to (a) December 31, 2016 and (b) the vesting of the LTIP units and (c) the termination of Executive's employment, then (i) 40% of the units (corresponding to the units that, prior to this Amendment, were to be subject to only time-based vesting hurdles) shall vest on December 31, 2016 if Executive's employment continues through such date and (ii) with respect to the remaining units, performance-based vesting will be measured in accordance with the vesting criteria set forth above using the period from the beginning of 2016 or 2014, as applicable, through the date of the Change-in-Control (as opposed to the period otherwise set forth above), but vesting of the LTIP units will remain subject to Executive's continued employment through the later of the Vesting Date or the date of such Change-in-Control, subject to acceleration as set forth in the Agreement. For purposes of measuring FFO performance in the event of a Change-in-Control, FFO will be measured from the beginning of the period through the end of the most recently completely quarter prior to the Change-in-Control for which financial results were publicly released by the Employer. In the event Executive's employment is terminated by the Employer without Cause or by Executive for Good Reason in connection with or within 18 months of such a Change-in-Control, all of the units will vest upon such termination regardless of whether performance-based vesting had previously occurred.

8. No Sell: Executive may not sell, assign, transfer, or otherwise encumber or dispose of LTIP units until the earlier of (i) the date that is two years after such shares/units vested, (ii) the termination of Executive's employment or (iii) a Change-in-Control.

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SECOND AMENDMENT TO AMENDED AND RESTATED EMPLOYMENT AND NONCOMPETITION AGREEMENT

This SECOND AMENDMENT TO AMENDED AND RESTATED EMPLOYMENT AND NONCOMPETITION AGREEMENT (this "Amendment"), effective as of December 20, 2016 is made by and between Andrew W. Mathias ("Executive") and SL Green Realty Corp., a Maryland corporation with its principal place of business at 420 Lexington Avenue, New York, New York 10170 (the "Employer").

WHEREAS, the Employer and the Executive entered into that certain Amended and Restated Employment and Noncompetition Agreement, dated as of November 8, 2013, as amended (the "Employment Agreement"); and

WHEREAS, pursuant to Section 12 of the Employment Agreement, the Employer and the Executive desire to amend certain terms of the Employment Agreement as set forth in this Amendment.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein and for other good and valuable consideration, the receipt of which is mutually acknowledged, the Employer and the Executive agree as follows:

1. Section 8(b)(i) of the Employment Agreement is hereby deleted in its entirety and the following new Section 8(b)(i) is substituted in lieu thereof:

> (i) during the Employment Period, any period thereafter during which Executive remains employed by the Employer and (x) for the 18-month period following the termination of Executive by either party for any reason other than termination in connection with or within eighteen (18) months after a Change-in-Control, or (y) for the 6-month period following the termination of Executive in connection with or within eighteen (18) months after a Change-in-Control, Executive will not, anywhere in the United States, without the prior written consent of the Board which shall include the unanimous consent of the Directors other than any other officer of the Employer, directly or indirectly (individually, or through or on behalf of another entity as owner, partner, agent, employee, consultant, or in any other capacity), engage, participate or assist, as an owner, partner, employee, consultant, director, officer, trustee or agent, in any element of the Business, subject, however, to Section 8(c) below; provided, however, that, if Executive's employment with the Employer terminates upon or after the scheduled expiration of the term of this Agreement (including any renewals or extensions) without any early termination under Section 6, the restrictions of this Section 8(b)(i) shall apply for one (1) year (rather than eighteen (18) months) following the termination of Executive's employment; and provided, further, that if Executive's employment terminates for any reason following provision by either party of written notice of non-renewal of the term of this Agreement as provided in Section 1 but prior to the date on which such term is scheduled to expire following provision of such notice, the restrictions of this Section 8(b)(i) shall apply from the date of such termination through the date that is one (1) year following the date on which the term of this Agreement was scheduled to expire immediately prior to such termination; provided, further, that if (A) Employer fails to grant either 54,545 LTIP Units or 54,545 shares of Common Stock to Executive under the SL Green Realty Corp. Fourth Amended and Restated 2005 Stock Option and Incentive Plan (the "Amended Plan") and in accordance with definitive documentation that is consistent with the Employer's general practices for documentation contemplated by the Amended Plan on or before January 31, 2017, with 100% of such LTIP Units or shares of Common Stock to vest on December 31, 2017, subject to Executive's continued employment through such date and two-year post-vesting no-sale restrictions, and (B) Executive opts to terminate employment pursuant to Section 6(b)(iii) effective on or before February 28, 2017, then the restrictions of this Section 8(b)(i) shall cease to apply as of such effective date of termination; and

2. Except as expressly amended hereby, the Employment Agreement continues in full force and effect in accordance with its terms. The Employment Agreement, together with any Exhibits thereto and this Amendment, constitutes the entire understanding and agreement of the parties hereto regarding the employment of the Executive. Capitalized terms used herein but not otherwise defined shall have the meaning set forth in the Employment Agreement.

3. This Amendment shall be governed and construed in accordance with the laws of the State of New York, without regard to any principles of conflicts of laws which could cause the application of the laws of any jurisdiction other than the State of New York.

4. This Amendment may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original but all such counterparts together shall constitute one and the same instrument. Each counterpart may consist of two copies hereof each signed by one of the parties hereto.

[Remainder of page intentionally left blank]

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

SL GREEN REALTY CORP.:

By: /s/ Andrew S. Levine

Name: Andrew S. Levine

Title: Executive Vice President, Chief Legal Officer and General Counsel

EXECUTIVE:

/s/ Andrew W. Mathias

Name: Andrew W. Mathias

[Signature Page to Mathias Employment Agreement]

Exhibit 10.19

THIRD AMENDMENT TO AMENDED AND RESTATED EMPLOYMENT AND NONCOMPETITION AGREEMENT

This THIRD AMENDMENT TO AMENDED AND RESTATED EMPLOYMENT AND NONCOMPETITION AGREEMENT (this "Amendment"), effective as of December 21, 2017 is made by and between Andrew W. Mathias ("Executive") and SL Green Realty Corp., a Maryland corporation with its principal place of business at 420 Lexington Avenue, New York, New York 10170 (the "Employer").

WHEREAS, the Employer and the Executive entered into that certain Amended and Restated Employment and Noncompetition Agreement, dated as of November 8, 2013, as amended (the "Employment Agreement"); and

WHEREAS, pursuant to Section 12 of the Employment Agreement, the Employer and the Executive desire to amend certain terms of the Employment Agreement as set forth in this Amendment.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein and for other good and valuable consideration, the receipt of which is mutually acknowledged, the Employer and the Executive agree as follows:

1. Section 3(a) of the Employment Agreement is hereby deleted in its entirety and the following new Section 3(a) is substituted in lieu thereof:

(a) Base Salary. The Employer shall pay Executive an aggregate minimum annual salary at the rate of (i) $800,000 per annum from the Effective Date through December 31, 2017 and (ii) $900,000 per annum from January 1, 2018 through the end of the Employment Period ("Base Salary"). Base Salary shall be payable bi-weekly in accordance with the Employer's normal business practices and shall be reviewed by the Board or Compensation Committee of the Board at least annually. In no event shall Executive's Base Salary in effect at a particular time be reduced without his prior written consent.

2. Section 8(b)(i) of the Employment Agreement is hereby deleted in its entirety and the following new Section 8(b)(i) is substituted in lieu thereof:

(i) during the Employment Period, any period thereafter during which Executive remains employed by the Employer and (x) for the 18-month period following the termination of Executive by either party for any reason other than termination in connection with or within eighteen (18) months after a Change-in-Control, or (y) for the 6-month period following the termination of Executive in connection with or within eighteen (18) months after a Change-in-Control, Executive will not, anywhere in the United States, without the prior written consent of the Board which shall include the unanimous consent of the Directors other than any other officer of the Employer, directly or indirectly (individually, or through or on behalf of another entity as owner, partner, agent, employee, consultant, or in any other capacity), engage, participate or assist, as an owner, partner, employee, consultant, director, officer, trustee or agent, in any element of the Business, subject, however, to Section 8(c) below; provided, however, that, if Executive's employment with the Employer terminates upon or after the scheduled expiration of the term of this Agreement (including any renewals or extensions) without any early termination under Section 6, the restrictions of this Section 8(b)(i) shall apply for one (1) year (rather than eighteen (18) months) following the termination of Executive's employment; and provided, further, that if Executive's employment terminates for any reason following provision by either party of written notice of non-renewal of the term of this Agreement as provided in Section 1 but prior to the date on which such term is scheduled to expire following provision of such notice, the restrictions of this Section 8(b)(i) shall apply from the date of such termination through the date that is one (1) year following the

date on which the term of this Agreement was scheduled to expire immediately prior to such termination; provided, further, that if (A) Employer fails to grant either 56,000 LTIP Units or 56,000 shares of Common Stock to Executive under the SL Green Realty Corp. Fourth Amended and Restated 2005 Stock Option and Incentive Plan (the "Amended Plan") and in accordance with definitive documentation that is consistent with the Employer's general practices for documentation contemplated by the Amended Plan on or before January 31, 2018, with 100% of such LTIP Units or shares of Common Stock to vest on December 31, 2018, subject to Executive's continued employment through such date and two-year post-vesting no-sale restrictions, and (B) Executive opts to terminate employment pursuant to Section 6(b)(iii) effective on or before February 28, 2018, then the restrictions of this Section 8(b)(i) shall cease to apply as of such effective date of termination; and

3. Except as expressly amended hereby, the Employment Agreement continues in full force and effect in accordance with its terms. The Employment Agreement, together with any Exhibits thereto and this Amendment, constitutes the entire understanding and agreement of the parties hereto regarding the employment of the Executive. Capitalized terms used herein but not otherwise defined shall have the meaning set forth in the Employment Agreement.

4. This Amendment shall be governed and construed in accordance with the laws of the State of New York, without regard to any principles of conflicts of laws which could cause the application of the laws of any jurisdiction other than the State of New York.

5. This Amendment may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original but all such counterparts together shall constitute one and the same instrument. Each counterpart may consist of two copies hereof each signed by one of the parties hereto.

[Remainder of page intentionally left blank]

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

SL GREEN REALTY CORP.:

By: /s/ Andrew S. Levine

Name: Andrew S. Levine

Title: Executive Vice President, Chief Legal Officer and General Counsel

EXECUTIVE:

/s/ Andrew W. Mathias

Name: Andrew W. Mathias

[Signature Page to Mathias Employment Agreement]

Exhibit 12.1

SL Green Realty Corp.
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends
(Dollars in Thousands)

	Year Ended December 31,				
	2017	**2016**	**2015**	**2014**	**2013**
Earnings					
Income from continuing operations	$ 241,531	$ 233,415	$ 253,186	$ 142,493	$ 99,479
Joint venture cash distributions	347,782	370,759	176,049	438,041	86,631
Interest	255,523	320,957	325,399	331,439	329,752
Amortization of interest capitalized	37	40	549	305	44
Minority interest in pre-tax income of subsidiaries that have not incurred fixed charges	21,770	(574)	(1,497)	(1,109)	(2,054)
Amortization of loan costs expensed	16,498	24,564	27,348	22,811	16,695
Portion of rent expense representative of interest	30,033	30,588	29,375	32,522	35,100
Total earnings	$ 913,174	$ 979,749	$ 810,409	$ 966,502	$ 565,647
Fixed Charges and Preferred Stock Dividends					
Interest	$ 255,523	$ 320,957	$ 325,399	$ 331,439	$ 329,752
Interest capitalized	26,020	24,067	31,108	26,676	11,853
Amortization of loan costs expensed	16,498	24,564	27,348	22,811	16,695
Preferred stock dividends	14,950	14,950	14,952	14,952	21,881
Portion of rent expense representative of interest	30,033	30,588	29,375	32,522	35,100
Total fixed charges and Preferred Stock dividends	$ 343,024	$ 415,126	$ 428,182	$ 428,400	$ 415,281
Ratio of earnings to combined fixed charges and Preferred Stock dividends	2.66	2.36	1.89	2.26	1.36

The ratios of earnings to combined fixed charges and preferred stock dividends were computed by dividing earnings by fixed charges. For the purpose of calculating the ratios, the earnings have been calculated by adding fixed charges to income from continuing operations before adjustment for noncontrolling interests plus distributions from unconsolidated joint ventures, excluding gains or losses from sale of property, purchase price fair value adjustments, gains and losses on equity investment and the cumulative effect of changes in accounting principles. With respect to SL Green Realty Corp., fixed charges and preferred stock dividends consist of interest expense including the amortization of debt issuance costs, rental expense deemed to represent interest expense and preferred dividends paid on its 7.625% Series C, its 7.875% Series D and its 6.50% Series I cumulative redeemable Preferred Stock.

Exhibit 12.2

SL Green Operating Partnership, L.P.
Ratio of Earnings to Combined Fixed Charges and Preferred Unit Distributions
(Dollars in Thousands)

	Year Ended December 31,				
	2017	**2016**	**2015**	**2014**	**2013**
Earnings					
Income from continuing operations	$ 241,531	$ 233,415	$ 253,186	$ 142,493	$ 99,479
Joint venture cash distributions	347,782	370,759	176,049	438,041	86,631
Interest	255,523	320,957	325,399	331,439	329,752
Amortization of interest capitalized	37	40	549	305	44
Minority interest in pre-tax income of subsidiaries that have not incurred fixed charges	21,770	(574)	(1,497)	(1,109)	(2,054)
Amortization of loan costs expensed	16,498	24,564	27,348	22,811	16,695
Portion of rent expense representative of interest	30,033	30,588	29,375	32,522	35,100
Total earnings	$ 913,174	$ 979,749	$ 810,409	$ 966,502	$ 565,647
Fixed Charges and Preferred Unit Distributions					
Interest	$ 255,523	$ 320,957	$ 325,399	$ 331,439	$ 329,752
Interest capitalized	26,020	24,067	31,108	26,676	11,853
Amortization of loan costs expensed	16,498	24,564	27,348	22,811	16,695
Preferred stock dividends	14,950	14,950	14,952	14,952	21,881
Portion of rent expense representative of interest	30,033	30,588	29,375	32,522	35,100
Total fixed charges and Preferred Stock dividends	$ 343,024	$ 415,126	$ 428,182	$ 428,400	$ 415,281
Ratio of earnings to combined fixed charges and Preferred Unit distributions	2.66	2.36	1.89	2.26	1.36

The ratios of earnings to combined fixed charges and preferred unit distributions were computed by dividing earnings by fixed charges. For the purpose of calculating the ratios, the earnings have been calculated by adding fixed charges to income from continuing operations before adjustment for noncontrolling interests plus distributions from unconsolidated joint ventures, excluding gains or losses from sale of property, purchase price fair value adjustments, gains and losses on equity investment and the cumulative effect of changes in accounting principles. With respect to SL Green Operating Partnership, L.P., fixed charges and preferred stock distributions consist of interest expense including the amortization of debt issuance costs, rental expense deemed to represent interest expense and preferred distributions paid on its 7.625% Series C, its 7.875% Series D and its 6.50% Series I cumulative redeemable Preferred Units.

Exhibit 21.1

SUBSIDIARIES OF SL GREEN REALTY CORP.

Entity Name	State of Incorporation
1 Madison Residential Holdings B LLC	Delaware
10 E 53 Owner LLC	Delaware
100 Church Fee Owner LLC	Delaware
1010 Washington SLG Owner LLC	Delaware
107-30 Rockaway Blvd LLC	Delaware
1080 Amsterdam Green A Member LLC	Delaware
1080 Amsterdam Green B Member LLC	Delaware
1080 Amsterdam Lessee LLC	Delaware
108-01 Rockaway Blvd LLC	Delaware
10E53 Partner LLC	Delaware
11 Madison Avenue Owner 2 LLC	Delaware
11 Madison Avenue Owner 3 LLC	Delaware
11 Madison Avenue Owner 4 LLC	Delaware
11 Madison Avenue Owner 5 LLC	Delaware
11 Madison Avenue Owner 6 LLC	Delaware
11 Madison Avenue Owner LLC	Delaware
11 Madison Holding LLC	Delaware
11 Madison Investor II LLC	Delaware
11 Madison Investor LLC	Delaware
11 Madison Member LLC	Delaware
11 Madison Principal 5 LLC	Delaware
102 Greene Holdings LLC	Delaware
102 Greene Owner LLC	Delaware, New York
110 E 42nd GP LLC	Delaware
110 E 42nd Holdco LLC	Delaware
110 E 42nd LPA LLC	Delaware
110 E 42nd Mezz II LP	Delaware
110 E42 Garage Owner LLC	Delaware
11W34 Investor LLC	Delaware
115 Spring Mezz LLC	Delaware
121 GREENE RETAIL OWNER LLC	Delaware
125 Chubb Holdings LLC (f/k/a SLG 114 Fifth Funding LLC)	Delaware
125 Park Owner LLC (f/k/a SLG 125 Park LLC)	Delaware
131 Spring Fee Owner LLC	Delaware
131 Spring Owner LLC	Delaware
150 Grand Owner LLC	Delaware
183 Broadway Owner LLC	Delaware
187 Broadway Owner LLC	Delaware
1515 Broadway GP, LLC	Delaware
1515 Broadway Mezzanine Owner LP	Delaware
1515 BROADWAY OWNER LP	Delaware
1515 Office TRS Corp.	Delaware
1515 Promote LLC	Delaware
1515 SLG Optionee LLC	Delaware
1515 SLG PRIVATE REIT I LLC	Delaware

Entity Name	State of Incorporation
1515 SLG Private REIT LLC	Delaware
16 Court Street Member LLC	Delaware
16 Court Street Owner LLC	Delaware
1640 Flatbush Owner LLC	Delaware
1640 Green Member LLC	Delaware
1745 Manager LLC	Delaware
1775 Broadway Member LLC	Delaware
180 Maiden Member LLC	Delaware
187 Broadway Air Rights Owner LLC	Delaware
2 Herald Owner LLC	Delaware
21E66 LT Investor LLC	Delaware
21E66 MM Investor LLC	Delaware
21E66 MM TRS LLC	Delaware
33/34 West Owner LLC	Delaware
30 E 40th Street Development LLC	Delaware
30 E 40th Ground Lessee LLC	Delaware
30 E 40th Street JV LLC	Delaware
300 Main Lessee LLC	Delaware
304 PAS Holdings LLC	Delaware
304 PAS Owner LLC	Delaware
315 W 36 Member LLC	Delaware
333 East 22 Green Member LLC	Delaware
333 East 22 Lessee LLC	Delaware
333W34 SLG Owner LLC	Delaware
388 Realty Owner LLC	Delaware
388 SLG Investor LLC	Delaware
43rd Operator LLC	Delaware
400 E57 Fee Owner LLC	Delaware
400 E58 Owner LLC	Delaware
530 PARTICIPATION LLC	Delaware, New York
530 Pref Investor LLC	Delaware, New York
55W46 Investor LLC	Delaware
55W46 Member LLC	Delaware
574 Fifth Avenue Lessee LLC	Delaware
605 Green Member LLC	Delaware, New York
635 MADISON FEE OWNER LLC	Delaware, New York
635 Sixth Mezz LLC	Delaware
641 Sixth Fee Owner LLC	Delaware
641 Sixth Mezzanine LLC	Delaware
641 Sixth Owners LLC	Delaware
673 Interest Holder LLC	Delaware
719 Seventh Owner LLC	Delaware
750 Third Owner LLC	Delaware
752 Madison Member LLC	Delaware
752 Madison TRS LLC	Delaware
762 Madison Owner LLC	Delaware
885 Third Fee LLC	Delaware
885 Third Lot A Owner LLC	Delaware
885 Third Owner LLC	Delaware

Entity Name	State of Incorporation
919 Ground Lease Member LLC	Delaware
981 THIRD DEVELOPMENT LLC	Delaware, New York
985 Third Development LLC	Delaware
Arden Mezz Participant LLC	Delaware
Belmont Insurance Company	New York
Concept Space LLC	Delaware
East 72nd LLC	Delaware
eEmerge, Inc	Delaware, New York
EMERGE212 125 LLC	Delaware
Emerge212 3CC LLC	Delaware
Fifth Avenue Retail Partners LLC	Delaware
Fifth Avenue Retail Properties LLC	Delaware
Fifth Avenue Retail Ultimate LLC	Delaware
GKK Manager Member Corp.	Delaware
Greater New York Property LLC	Delaware
Green 121 Member LLC	Delaware
Green 1250 Broadway Acquisition LLC	Delaware, New York
Green 1250 Broadway LLC	Delaware, New York
Green 141 Fifth Investment LLC	Delaware
Green 141 Fifth Participation Corp.	Delaware
Green 155 Member LLC	Delaware
Green 1552 Member LLC	Delaware
Green 1604 Investment LLC	Delaware
Green 175-225 Member LLC	Delaware, New York
Green 379 Broadway LLC	Delaware
Green 460 Member LLC	Delaware, New York
Green 461 Fifth Lessee LLC	Delaware, New York
Green 521 Fifth Avenue Holdings LLC	Delaware
Green 521 Fifth Mezz LLC	Delaware
Green 625 Mezz Lessee LLC	Delaware
Green 650 Member LLC	Delaware
Green 673 SPE Member Inc.	New York
Green 711 Fee Manager LLC	Delaware
Green 711 LM LLC	New York
Green 711 Mortgage Manager LLC	Delaware
Green 711 Sublease Manager LLC	Delaware
Green 724 Member LLC	Delaware
Green 747 Member LLC	Delaware
Green 800 Avenue Associates, LLC	Delaware
GREEN BEEKMAN LLC	Delaware
Green Broadway Nassau LLC	Delaware
Green Broadway/34 Investment LLC	Delaware
Green Eastside Member LLC	Delaware
Green Jericho Member LLC	Delaware
Green Loan Services LLC	Delaware
Green Meadows Member LLC	Delaware
Green W 57TH ST LLC	New York
Jericho Promote Member LLC	Delaware
Landmark Square 1-6 LLC	Delaware

Entity Name	State of Incorporation
Madison/65 Owner LLC	Delaware
MEADOW RT FUNDING LLC	Delaware
Metropolitan Partners, LLC	Delaware
New Green 673 Realty LLC	New York
North 3rd Acquisition LLC	Delaware
North 3rd MM LLC	Delaware
North 3rd MM TRS LLC	Delaware
North 3rd RU Investor LLC	Delaware
One-Two Jericho Plaza Owner LLC	Delaware
One Vanderbilt Owner LLC	Delaware
OS MEADOWS MEMBER II, LLC	Delaware
OVA Developer LLC	Delaware
OVA REIT Manager LLC	Delaware
Reckson Mezz. LLC	New York
Reckson Operating Partnership, L.P.	Delaware
Second Avenue Development Member LLC	Delaware
S.L. Green Management Corp.	New York
SL Green 100 Park LLC	New York
SL Green 800 JV Member LLC	Delaware
SL Green Capital Trust I	Delaware
SL Green Funding LLC*	New York
SL Green Investor LLC	Delaware
SL Green Management LLC	Delaware, New York
SL Green Operating Partnership L.P.	Delaware, New York
SL Green Realty Acquisition LLC	Delaware, New York
SL Green Realty Corp.	Maryland, New York
SL Green Servicing Corp.	Delaware
SL Green 800 Third Member LLC	Delaware
SLG 101 INVESTOR LLC	Delaware
SLG 1372 BROADWAY GP LLC	Delaware
SLG 1372 Broadway Limited Partner LLC	Delaware
SLG 1515 Broadway Finance LLC	Delaware
SLG 16 Court Street LLC	Delaware
SLG 16 Court Street 2 LLC	Delaware
SLG 1745 GP LLC	Delaware
SLG 1745 GP II LLC	Delaware
SLG 1745 LP LLC	Delaware
SLG 2 Herald LLC	Delaware
SLG 2 Herald Manager LLC	Delaware
SLG 220 News Lessee LLC	Delaware
SLG 220 News MZ LLC	Delaware, New York
SLG 220 News Owner LLC	Delaware, New York
SLG 315 West LLC	Delaware
SLG 388 Greenwich Promote LLC	Delaware
SLG 388 Greenwich Shareholder LLC	Delaware
SLG 48 E. 43rd LLC	Delaware
SLG 500 West Putnam Owner LLC	Delaware
SLG 600 Lexington Interest Owner LLC	Delaware
SLG 600 Lexington Owner LLC	Delaware

Entity Name	State of Incorporation
SLG 600 Lexington Promote LLC	Delaware
SLG 600 Lexington SH LLC	Delaware
SLG 609 Fifth LLC	Delaware
SLG 625 Lessee LLC	Delaware
SLG 7 Renaissance Member LLC	Delaware
SLG 711 Fee LLC	New York
SLG 711 Third LLC	New York
SLG 711 Third Sublandlord LLC	Delaware
SLG 717 Fifth Member LLC	Delaware
SLG 885 Third Manager LLC	Delaware
SLG Arden Mezz 1 LLC	Delaware
SLG Asset Management Fee LLC	Delaware, New York
SLG Elevator Holdings LLC	New York
SLG Funding REIT LLC*	Delaware
SLG Gramercy Services LLC	Delaware
SLG Graybar LLC	Delaware
SLG Graybar Mesne Lease Corp	New York
SLG Graybar Mesne Lease I LLC	Delaware
SLG Graybar Mesne Lease LLC	New York
SLG Graybar New Ground Lessee LLC	Delaware
SLG Graybar New Lessee LLC	Delaware
SLG Graybar Sublease Corp	New York
SLG Graybar Sublease LLC	New York
SLG IRP Realty LLC	New York
SLG LeaseCo Member LLC	Delaware
SLG Lightpath LLC	Delaware
SLG Madison Investment LLC	Delaware
SLG Manager LLC	Delaware, New York
SLG One Park Shareholder II LLC	Delaware
SLG One Park Shareholder LLC	Delaware
SLG OpCo Holdings LLC	Delaware
SLG OpCo Member LLC	Delaware
SLG Park Avenue Investor LLC	Delaware
SLG Protective TRS Corp	Delaware, New York
SLG RSVP Member LLC	Delaware
SLG Tower 45 LLC	Delaware
Structured Finance TRS Corp.	Delaware

* The purpose of this entity is to engage in debt and preferred equity finance investments through various wholly-owned subsidiaries which are not included on this list.

Exhibit 21.2

SUBSIDIARIES OF SL GREEN OPERATING PARTNERSHIP, L.P.

Entity Name	State of Incorporation
1 Madison Residential Holdings B LLC	Delaware
10 E 53 Owner LLC	Delaware
100 Church Fee Owner LLC	Delaware
1010 Washington SLG Owner LLC	Delaware
107-30 Rockaway Blvd LLC	Delaware
1080 Amsterdam Green A Member LLC	Delaware
1080 Amsterdam Green B Member LLC	Delaware
1080 Amsterdam Lessee LLC	Delaware
108-01 Rockaway Blvd LLC	Delaware
10E53 Partner LLC	Delaware
11 Madison Avenue Owner 2 LLC	Delaware
11 Madison Avenue Owner 3 LLC	Delaware
11 Madison Avenue Owner 4 LLC	Delaware
11 Madison Avenue Owner 5 LLC	Delaware
11 Madison Avenue Owner 6 LLC	Delaware
11 Madison Avenue Owner LLC	Delaware
11 Madison Holding LLC	Delaware
11 Madison Investor II LLC	Delaware
11 Madison Investor LLC	Delaware
11 Madison Member LLC	Delaware
11 Madison Principal 5 LLC	Delaware
110 E 42nd GP LLC	Delaware
110 E 42nd Holdco LLC	Delaware
110 E 42nd LPA LLC	Delaware
110 E 42nd Mezz II LP	Delaware
110 E42 Garage Owner LLC	Delaware
11W34 Investor LLC	Delaware
121 GREENE RETAIL OWNER LLC	Delaware
125 Chubb Holdings LLC (f/k/a SLG 114 Fifth Funding LLC)	Delaware
125 Park Owner LLC (f/k/a SLG 125 Park LLC)	Delaware
131 Spring Fee Owner LLC	Delaware
131 Spring Owner LLC	Delaware
150 Grand Owner LLC	Delaware
183 Broadway Owner LLC	Delaware
187 Broadway Owner LLC	Delaware
1515 Broadway GP, LLC	Delaware
1515 Broadway Mezzanine Owner LP	Delaware
1515 BROADWAY OWNER LP	Delaware
1515 Office TRS Corp.	Delaware
1515 Promote LLC	Delaware
1515 SLG Optionee LLC	Delaware

Entity Name	State of Incorporation
1515 SLG PRIVATE REIT I LLC	Delaware
1515 SLG Private REIT LLC	Delaware
16 Court Street Member LLC	Delaware
16 Court Street Owner LLC	Delaware
1640 Flatbush Owner LLC	Delaware
1640 Green Member LLC	Delaware
1745 Manager LLC	Delaware
1775 Broadway Member LLC	Delaware
180 Maiden Member LLC	Delaware
187 Broadway Air Rights Owner LLC	Delaware
2 Herald Owner LLC	Delaware
21E66 LT Investor LLC	Delaware
21E66 MM Investor LLC	Delaware
21E66 MM TRS LLC	Delaware
33/34 West Owner LLC	Delaware
30 E 40th Street Development LLC	Delaware
30 E 40th Ground Lessee LLC	Delaware
30 E 40th Street JV LLC	Delaware
300 Main Lessee LLC	Delaware
304 PAS Holdings LLC	Delaware
304 PAS Owner LLC	Delaware
315 W 36 Member LLC	Delaware
333 East 22 Green Member LLC	Delaware
333 East 22 Lessee LLC	Delaware
333W34 SLG Owner LLC	Delaware
388 Realty Owner LLC	Delaware
388 SLG Investor LLC	Delaware
400 E57 Fee Owner LLC	Delaware
400 E58 Owner LLC	Delaware
43rd Operator LLC	Delaware
574 Fifth Avenue Lessee LLC	Delaware
635 Sixth Mezz LLC	Delaware
641 Sixth Fee Owner LLC	Delaware
641 Sixth Mezzanine LLC	Delaware
641 Sixth Owners LLC	Delaware
673 Interest Holder LLC	Delaware
750 Third Owner LLC	Delaware
762 Madison Owner LLC	Delaware
885 Third Fee LLC	Delaware
885 Third Lot A Owner LLC	Delaware
919 Ground Lease Member LLC	Delaware
985 Third Development LLC	Delaware
Arden Mezz Participant LLC	Delaware
Belmont Insurance Company	New York
Concept Space LLC	Delaware

Entity Name	State of Incorporation
East 72nd LLC	Delaware
eEmerge, Inc	Delaware, New York
EMERGE212 125 LLC	Delaware
Emerge212 3CC LLC	Delaware
Fifth Avenue Retail Partners LLC	Delaware
Fifth Avenue Retail Properties LLC	Delaware
Fifth Avenue Retail Ultimate LLC	Delaware
GKK Manager Member Corp.	Delaware
Greater New York Property LLC	Delaware
Green 1250 Broadway Acquisition LLC	Delaware, New York
Green 1250 Broadway LLC	Delaware, New York
Green 141 Fifth Investment LLC	Delaware
Green 141 Fifth Participation Corp.	Delaware
Green 155 Member LLC	Delaware
Green 1552 Member LLC	Delaware
Green 1604 Investment LLC	Delaware
Green 379 Broadway LLC	Delaware
Green 461 Fifth Lessee LLC	Delaware, New York
Green 521 Fifth Avenue Holdings LLC	Delaware
Green 521 Fifth Mezz LLC	Delaware
Green 625 Mezz Lessee LLC	Delaware
Green 650 Member LLC	Delaware
Green 673 SPE Member Inc.	New York
Green 711 Fee Manager LLC	Delaware
Green 711 LM LLC	New York
Green 711 Mortgage Manager LLC	Delaware
Green 711 Sublease Manager LLC	Delaware
Green 724 Member LLC	Delaware
Green 747 Member LLC	Delaware
Green 800 Avenue Associates, LLC	Delaware
GREEN BEEKMAN LLC	Delaware
Green Broadway Nassau LLC	Delaware
Green Broadway/34 Investment LLC	Delaware
Green Eastside Member LLC	Delaware
Green Jericho Member LLC	Delaware
Green Loan Services LLC	Delaware
Green Meadows Member LLC	Delaware
Green W 57TH ST LLC	New York
Jericho Promote Member LLC	Delaware
Landmark Square 1-6 LLC	Delaware
Madison/65 Owner LLC	Delaware
MEADOW RT FUNDING LLC	Delaware
Metropolitan Partners, LLC	Delaware
New Green 673 Realty LLC	New York
North 3rd Acquisition LLC	Delaware

Entity Name	State of Incorporation
North 3rd MM LLC	Delaware
North 3rd MM TRS LLC	Delaware
North 3rd RU Investor LLC	Delaware
One-Two Jericho Plaza Owner LLC	Delaware
One Vanderbilt Owner LLC	Delaware
OS MEADOWS MEMBER II, LLC	Delaware
OVA Developer LLC	Delaware
OVA REIT Manager LLC	Delaware
Reckson Mezz. LLC	New York
Reckson Operating Partnership, L.P.	Delaware
Second Avenue Development Member LLC	Delaware
S.L. Green Management Corp.	New York
SL Green 100 Park LLC	New York
SL Green 800 JV Member LLC	Delaware
SL Green Capital Trust I	Delaware
SL Green Funding LLC*	New York
SL Green Investor LLC	Delaware
SL Green Management LLC	Delaware, New York
SL Green Realty Acquisition LLC	Delaware, New York
SL Green Servicing Corp.	Delaware
SL Green 800 Third Member LLC	Delaware
SLG 101 INVESTOR LLC	Delaware
SLG 1372 BROADWAY GP LLC	Delaware
SLG 1372 Broadway Limited Partner LLC	Delaware
SLG 1515 Broadway Finance LLC	Delaware
SLG 16 Court Street LLC	Delaware
SLG 16 Court Street 2 LLC	Delaware
SLG 1745 GP LLC	Delaware
SLG 1745 GP II LLC	Delaware
SLG 1745 LP LLC	Delaware
SLG 2 Herald LLC	Delaware
SLG 2 Herald Manager LLC	Delaware
SLG 220 News Lessee LLC	Delaware
SLG 220 News MZ LLC	Delaware, New York
SLG 220 News Owner LLC	Delaware, New York
SLG 315 West LLC	Delaware
SLG 388 Greenwich Promote LLC	Delaware
SLG 388 Greenwich Shareholder LLC	Delaware
SLG 48 E. 43rd LLC	Delaware
SLG 500 West Putnam Owner LLC	Delaware
SLG 600 Lexington Interest Owner LLC	Delaware
SLG 600 Lexington Owner LLC	Delaware
SLG 600 Lexington Promote LLC	Delaware
SLG 600 Lexington SH LLC	Delaware
SLG 609 Fifth LLC	Delaware

Entity Name	State of Incorporation
SLG 625 Lessee LLC	Delaware
SLG 7 Renaissance Member LLC	Delaware
SLG 711 Fee LLC	New York
SLG 711 Third LLC	New York
SLG 711 Third Sublandlord LLC	Delaware
SLG 717 Fifth Member LLC	Delaware
SLG 885 Third Manager LLC	Delaware
SLG Arden Mezz 1 LLC	Delaware
SLG Asset Management Fee LLC	Delaware, New York
SLG Elevator Holdings LLC	New York
SLG Funding REIT LLC*	Delaware
SLG Gramercy Services LLC	Delaware
SLG Graybar LLC	Delaware
SLG Graybar Mesne Lease Corp	New York
SLG Graybar Mesne Lease I LLC	Delaware
SLG Graybar Mesne Lease LLC	New York
SLG Graybar New Ground Lessee LLC	Delaware
SLG Graybar New Lessee LLC	Delaware
SLG Graybar Sublease Corp	New York
SLG Graybar Sublease LLC	New York
SLG IRP Realty LLC	New York
SLG LeaseCo Member LLC	Delaware
SLG Lightpath LLC	Delaware
SLG Madison Investment LLC	Delaware
SLG One Park Shareholder II LLC	Delaware
SLG One Park Shareholder LLC	Delaware
SLG OpCo Holdings LLC	Delaware
SLG OpCo Member LLC	Delaware
SLG Park Avenue Investor LLC	Delaware
SLG Protective TRS Corp	Delaware, New York
SLG RSVP Member LLC	Delaware
SLG Tower 45 LLC	Delaware
Structured Finance TRS Corp.	Delaware

* The purpose of this entity is to engage in debt and preferred equity finance investments through various wholly-owned subsidiaries which are not included on this list.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(i) Registration Statement (Form S-3 Nos. 333-70111, 333-30394, 333-68828, 333-62434, 333-126058, 333-202320, 333-208621 and 333-211945) of SL Green Realty Corp. and in the related Prospectuses;

(ii) Registration Statement (Form S-8 Nos. 333-61555, 333-87485, 333-89964, 333-127014, 333-143721, 333-189362, and 333-212108) pertaining to the Stock Option and Incentive Plans of SL Green Realty Corp., and

(iii) Registration Statement (Form S-8 No. 333-148973) pertaining to the 2008 Employee Stock Purchase Plan of SL Green Realty Corp.,

of our reports dated February 23, 2018 with respect to the consolidated financial statements and schedules of SL Green Realty Corp and the effectiveness of internal control over financial reporting of SL Green Realty Corp., included in this Annual Report (Form 10-K) for the year ended December 31, 2017.

/s/ Ernst & Young LLP

New York, New York
February 23, 2018

Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-208621) of SL Green Operating Partnership, L.P. and in the related Prospectus of our reports dated February 23, 2018, with respect to the consolidated financial statements and schedules of SL Green Operating Partnership, L.P., and the effectiveness of internal control over financial reporting of SL Green Operating Partnership, L.P., included in this Annual Report (Form 10-K) for the year ended December 31, 2017.

/s/ Ernst & Young LLP

New York, New York
February 23, 2018

Exhibit 31.1

CERTIFICATION

I, Marc Holliday, certify that:

1. I have reviewed this annual report on Form 10-K of SL Green Realty Corp. (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: February 23, 2018

/s/ Marc Holliday

Name: Marc Holliday
Title: Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Matthew J. DiLiberto, certify that:

1. I have reviewed this annual report on Form 10-K of SL Green Realty Corp. (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: February 23, 2018

/s/ Matthew J. DiLiberto

Name: Matthew J. DiLiberto

Title: Chief Financial Officer

Exhibit 31.3

<u>CERTIFICATION</u>

I, Marc Holliday, certify that:

1. I have reviewed this annual report on Form 10-K of SL Green Operating Partnership, L.P. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 23, 2018

/s/ Marc Holliday

Name: Marc Holliday

Title: Chief Executive Officer
of SL Green Realty Corp., the
general partner of the registrant

Exhibit 31.4

CERTIFICATION

I, Matthew J. DiLiberto, certify that:

1. I have reviewed this annual report on Form 10-K of SL Green Operating Partnership, L.P. (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: February 23, 2018

/s/ Matthew J. DiLiberto

Name: Matthew J. DiLiberto
Title: Chief Financial Officer
of SL Green Realty Corp., the
general partner of the registrant

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of SL Green Realty Corp. (the "Company") on Form 10-K as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Marc Holliday, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

	/s/ Marc Holliday
Name:	Marc Holliday
Title:	Chief Executive Officer

February 23, 2018

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of SL Green Realty Corp. (the “Company”) on Form 10-K as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Matthew J. DiLiberto, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Matthew J. DiLiberto

Name:	Matthew J. DiLiberto
Title:	Chief Financial Officer

February 23, 2018

Exhibit 32.3

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of SL Green Operating Partnership, L.P. (the "Operating Partnership") on Form 10-K as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Marc Holliday, Chief Executive Officer of SL Green Realty Corp, the sole general partner of the Operating Partnership, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership.

/s/ Marc Holliday

Name: Marc Holliday
Title: Chief Executive Officer
of SL Green Realty Corp., the
general partner of the Operating Partnership

February 23, 2018

Exhibit 32.4

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of SL Green Operating Partnership, L.P. (the "Operating Partnership") on Form 10-K as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matthew J. DiLiberto, Chief Financial Officer of SL Green Realty Corp, the sole general partner of the Operating Partnership, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership.

/s/ Matthew J. DiLiberto

Name: Matthew J. DiLiberto
Title: Chief Financial Officer
of SL Green Realty Corp., the
general partner of the Operating Partnership

February 23, 2018