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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2003

COMMISSION FILE NUMBER: 1-13762

RECKSON OPERATING PARTNERSHIP, L. P.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	11-3233647
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(IRS EMPLOYER IDENTIFICATION NUMBER)
225 BROADHOLLOW ROAD, MELVILLE, NY	11747
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICE)	(ZIP CODE)

(631) 694-6900
(REGISTRANT'S TELEPHONE NUMBER INCLUDING AREA CODE)

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) YES X NO__, AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS. YES X NO .

INDICATE BY CHECK MARK WHETHER THE REGISTRANT IS AN ACCELERATED FILER (AS DEFINED IN RULE 126.2 OF THE EXCHANGE ACT).

YES X NO _

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RECKSON OPERATING PARTNERSHIP, L.P.
QUARTERLY REPORT
FOR THE THREE MONTHS ENDED MARCH 31, 2003

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RECKSON OPERATING PARTNERSHIP, L. P.
CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS EXCEPT UNIT AMOUNTS)

MARCH 31, 2003 (UNAUDITED) DECEMBER 31, 2002 ---------------
---------------- ASSETS Commercial real estate properties,
at cost Land
....
$ 417,996 $ 418,040 Buildings and improvements
.... 2,426,832 2,415,252
Developments in progress: Land
....
84,851 92,924 Development costs
.... 30,563
28,311 Furniture, fixtures and equipment
.... 12,569 13,595
2,972,811 2,968,122 Less accumulated
depreciation .... (476,368)
(454,018) 2,496,443 2,514,104
Investments in real estate joint ventures
.... 6,106 6,116 Investment in
mortgage notes and notes receivable ....
54,727 54,547 Cash and cash equivalents
.... 30,876 30,576
Tenant receivables
.... 11,579
14,050 Investments in service companies and affiliate loans
and joint ventures 79,611 78,104 Deferred rents receivable
.... 111,467
107,366 Prepaid expenses and other assets
.... 52,180 36,846 Contract
and land deposits and pre-acquisition costs
.... 227 240 Deferred lease and loan costs
.... 65,248 70,103
TOTAL ASSETS
.... $
2,908,464 $ 2,912,052 =========== =========== LIABILITIES
Mortgage notes payable
.... $ 737,131 $
740,012 Unsecured credit facility
.... 302,000
267,000 Senior unsecured notes
.... 499,339
499,305 Accrued expenses and other liabilities
.... 77,058 90,320 Distributions
payable ....
31,472 31,575 TOTAL LIABILITIES
.... 1,647,000
1,628,212 Minority partners'
interests in consolidated partnerships 241,932
242,934 Commitments and
contingencies...
PARTNERS' CAPITAL Preferred Capital, 10,854,162 units
issued and outstanding .... 281,690 281,690 General
Partners' Capital: Class A common units, 48,000,995 and
48,246,083 units issued and outstanding, respectively
.... 464,131 478,121
Class B common units, 9,915,313 units issued and outstanding
.... 205,326 209,675 Limited Partners' Capital: Class A
common units, 7,276,224 units issued and outstanding ....
68,385 71,420 TOTAL PARTNERS'
CAPITAL ....
1,019,532 1,040,906 TOTAL
LIABILITIES AND PARTNERS' CAPITAL ....
$ 2,908,464 $ 2,912,052 =========== ===========

(see accompanying notes to financial statements)

RECKSON OPERATING PARTNERSHIP, L. P.
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED AND IN THOUSANDS, EXCEPT UNIT DATA)

THREE MONTHS ENDED MARCH 31, ------------------------------- 2003 2002 -
---------- ----------- REVENUES: Property operating revenues: Base
rents .... $
107,478 $ 106,383 Tenant escalations and reimbursements
.... 15,963 15,321
Total property operating revenues
.... 123,441 121,704 Interest

~~income on mortgage notes and notes receivable (including $1,033 and~~
~~$1,059, respectively from related parties)~~
~~.................................. 1,531 1,556 Investment and other~~
~~income .... 5,788 534~~
~~TOTAL REVENUES~~
~~... 130,760~~
~~123,794 EXPENSES: Property operating expenses~~
~~.. 47,834 41,895~~
~~Marketing, general and administrative~~
~~.. 8,259 7,095 Interest~~
~~...~~
~~22,850 20,996 Depreciation and amortization~~
~~.. 31,984 25,930~~
~~TOTAL EXPENSES~~
~~... 110,927~~
~~95,916 Income before minority interests,~~
~~distributions to preferred unit holders, equity in earnings of real~~
~~estate joint ventures and service companies, gain on sales of depreciable~~
~~real estate assets and discontinued operations~~
~~..~~
~~19,833 27,878 Minority partners' interests in consolidated partnerships~~
~~....................... (4,690) (5,120) Equity in earnings of real estate~~
~~joint ventures and service companies (including $0 and $407, respectively~~
~~from related parties) .... 106 335 Gain on sales of~~
~~depreciable real estate assets .... 537~~
~~Income before discontinued operations and~~
~~distributions to preferred unitholders 15,249 23,630 Discontinued~~
~~operations: Income from discontinued operations~~
~~....................................... 234~~
~~Net Income~~
~~..~~
~~15,249 23,864 Preferred unit distributions~~
~~.. (5,590) (5,948) -----~~
~~Net income allocable to common unit holders~~
~~.................................. $ 9,659 $ 17,916 ============~~
~~============ Net Income allocable to: Class A common~~
~~.. $ 7,591 $~~
~~14,093 Class B common~~
~~... 2,068 3,823~~
~~Total~~
~~...~~
~~$ 9,659 $ 17,916 ============ ============ Net income per weighted~~
~~average common units: Class A common~~
~~... $ .14 $ .24~~
~~Discontinued operations~~
~~... Gain on sales~~
~~of depreciable real estate assets .... .01~~
~~Class A common~~
~~... $ .14 $ .25~~
~~============ ============ Class B common~~
~~... $ .21 $ .36~~
~~Discontinued operations~~
~~... Gain on sales~~
~~of depreciable real estate assets .... .01~~
~~Class B common~~
~~... $ .21 $ .37~~
~~============ ============ Weighted average common units outstanding:~~
~~Class A common~~
~~.. 55,477,170~~
~~57,520,435 Class B common~~
~~.. 9,915,313~~
~~10,283,513~~

(see accompanying notes to financial statements)

RECKSON OPERATING PARTNERSHIP, L. P.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED AND IN THOUSANDS)

THREE MONTHS ENDED MARCH 31, -------------------------- 2003 2002 --
------- --------- ~~CASH FLOWS FROM OPERATING ACTIVITIES: Net income~~
~~...~~
~~$ 15,249 $ 23,864 Adjustments to reconcile net income to net cash~~
~~provided by operating activities: Depreciation and amortization~~
~~.. 31,984 26,136 Gain~~
~~on sales of depreciable real estate assets~~
~~............................... (537) Minority partners' interests~~
~~in consolidated partnerships .... 4,690 5,120 Equity~~
~~in earnings of real estate joint ventures and service companies~~
~~....... (106) (335) Changes in operating assets and liabilities:~~
~~Prepaid expenses and other assets~~
~~.. 1,314 11,569 Tenant~~
~~receivables~~
~~.. 2,471~~
~~(984) Deferred rents receivable~~
~~... (4,101) (8,749)~~
~~Accrued expenses and other liabilities~~

~~.. (11,917) (22,498)~~
~~Net cash provided by operating activities~~
~~.................................. 39,584 33,586~~
~~CASH FLOWS FROM INVESTING ACTIVITIES: Increase in contract~~
~~deposits and pre acquisition costs .... (9,134)~~
~~Proceeds from mortgage note receivable repayments~~
~~........................... 4 Additions to commercial real~~
~~estate properties .... (14,916) (4,931)~~
~~Additions to developments in progress~~
~~...................................... (5,888) (3,621) Payment of~~
~~leasing costs ....~~
~~(4,787) (2,987) Additions to furniture, fixtures and equipment~~
~~.............................. (89) (6) Distributions from~~
~~investments in real estate joint ventures .... 117~~
~~Proceeds from sales of real estate~~
~~... 600~~
~~Net cash used in investing activities~~
~~...................................... (25,563) (20,075)~~
~~CASH FLOWS FROM FINANCING ACTIVITIES: Principal payments~~
~~on secured borrowings .... (2,881)~~
~~(2,486) Payment of loan costs~~
~~.. (29) (322)~~
~~(Decrease) in investments in affiliate loans and service companies~~
~~........... (5,236) Proceeds from of unsecured credit facility~~
~~................................. 35,000 30,000 Repayment of~~
~~unsecured credit facility ....~~
~~(84,600) Distributions to minority partners in consolidated~~
~~partnerships .... (5,693) (4,096) Purchases of general~~
~~partner common units .... (4,538)~~
~~Contributions~~
~~.. --~~
~~4,492 Distributions~~
~~..~~
~~(35,580) (37,045) Net cash used in financing~~
~~activities .... (13,721) (99,293)~~
~~Net (decrease) increase in cash and cash~~
~~equivalents .... 300 (85,782) Cash and cash~~
~~equivalents at beginning of period ....~~
~~30,576 121,773 Cash and cash equivalents at end~~
~~of period .... $ 30,876 $ 35,991~~
~~========= =========~~

(see accompanying notes to financial statements)

RECKSON OPERATING PARTNERSHIP, L. P.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2003
(UNAUDITED)

1. ORGANIZATION AND FORMATION OF THE OPERATING PARTNERSHIP

Reckson Operating Partnership, L.P. (the "Operating Partnership") commenced operations on June 2, 1995. The sole general partner in the Operating Partnership, Reckson Associates Realty Corp. (the "Company") is a self-administered and self-managed real estate investment trust ("REIT").

The Operating Partnership is engaged in the ownership, management, operation, leasing and development of commercial real estate properties, principally office and industrial buildings and also owns certain undeveloped land (collectively, the "Properties") located in the New York tri-state area (the "Tri-State Area").

During June 1995, the Company contributed approximately $162 million in cash to the Operating Partnership in exchange for an approximate 73% general partnership interest. All Properties acquired by the Company are held by or through the Operating Partnership. In addition, in connection with the formation of the Operating Partnership, the Operating Partnership executed various option and purchase agreements whereby it issued common units of limited partnership interest in the Operating Partnership ("Units") to the continuing investors and assumed certain indebtedness in exchange for interests in certain property partnerships, fee simple and leasehold interests in properties and development land, certain other business assets and 100% of the non-voting preferred stock of the management and construction companies. At March 31, 2003, the Company's ownership percentage in the Operating Partnership was approximately 89.5%.

2. BASIS OF PRESENTATION

The accompanying consolidated financial statements include the consolidated financial position of the Operating Partnership and its subsidiaries at March 31, 2003 and December 31, 2002 and the results of their operations and their cash flows for the three months ended March 31, 2003 and 2002, respectively. The Operating Partnership's investments in majority owned and controlled real estate joint ventures are reflected in the accompanying financial statements on a consolidated basis with a reduction for minority partners' interest. The Operating Partnership also invests in real estate joint ventures where it may own less than a controlling interest. Such investments are also reflected in the accompanying financial statements on the equity method of accounting. For the periods presented prior to October 1, 2002, the operating results of Reckson Management Group, Inc., RANY Management Group, Inc., Reckson Construction Group New York, Inc. and Reckson Construction Group, Inc. (the "Service Companies"), in which the Operating Partnership owned a 97% non-controlling interest, were reflected in the accompanying financial statements on the equity method of accounting. On October 1, 2002, the Operating Partnership acquired the remaining 3% interests in the Service Companies for an aggregate purchase price of approximately $122,000. As a result, the Operating Partnership commenced consolidating the operations of the Service Companies (see Note 10). All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

Reckson Construction Group, Inc. and Reckson Construction Group New York, Inc. use the percentage-of-completion method for recording amounts earned on its contracts. This method records amounts earned as revenue in the proportion that actual costs incurred to date bear to the estimate of total costs at contract completion.

The minority partners' interests in consolidated partnerships at March 31, 2003 represent a 49% non-affiliated interest in RT Tri-State LLC, owner of a nine property suburban office portfolio, a 40% non-affiliated interest in Omni Partners, L.P., owner of a 579,000 square foot suburban office property and a 49% non-affiliated interest in Metropolitan 919 Third Avenue, LLC, owner of the property located at 919 Third Avenue, New York, NY.

The Operating Partnership follows the guidance provided for under the Financing Accounting Standards Board ("FASB") Statement No. 66 "Accounting for Sales of Real Estate" ("Statement No. 66"), which provides guidance on sales contracts that are accompanied by agreements which require the seller to develop the property in the future. Under Statement No. 66 profit is recognized and allocated to the sale of the land and the later development or construction work on the basis of estimated costs of each activity; the same rate of profit is attributed to each activity. As a result, profits are recognized and reflected over the improvement period on the basis of costs incurred (including land) as a percentage of total costs estimated to be incurred. The Operating Partnership uses the percentage of completion method, as the future costs of development and profit were reliably estimated (see Note 6).

The accompanying interim unaudited financial statements have been prepared by the Operating Partnership's management pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosure normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP") may have been condensed or omitted pursuant to such rules and regulations, although management believes that the disclosures are adequate to make the information presented not misleading. The unaudited financial statements as of March 31, 2003 and for the three month periods ended March 31, 2003 and 2002 include, in the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary to present fairly the financial information set forth herein. The results of operations for the interim periods are not necessarily indicative of the results that may be expected for the year ending December 31, 2003. These financial statements should be read in conjunction with the Operating Partnership's audited financial statements and notes thereto included in the Operating Partnership's Form 10-K for the year ended December 31, 2002.

Recent Accounting Pronouncements

In October 2001, the FASB issued Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". Statement No. 144 provides accounting guidance for financial accounting and reporting for the impairment or disposal of long-lived assets. Statement No. 144 supersedes Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of". It also supersedes the accounting and reporting provisions of Accounting Principles Board Opinion No. 30, Reporting the Results of Operations--Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions related to the disposal of a segment of a business. The Operating Partnership adopted Statement No. 144 on January 1, 2002. The adoption of this statement did not have a material effect on the results of operations or the financial position of the Operating Partnership. The adoption of Statement No. 144 does not have an impact on net income. Statement No. 144 only impacts the presentation of the results of operations and gain on sales of depreciable real estate assets for those properties sold during the period within the consolidated statements of income.

In November 2002, the FASB issued Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" ("FIN 45"). FIN 45 significantly changes the current practice in the accounting for, and disclosure of, guarantees. Guarantees and indemnification agreements meeting the characteristics described in FIN 45 are required to be initially recorded as a liability at fair value. FIN 45 also requires a guarantor to make significant new disclosures for virtually all guarantees even if the likelihood of the guarantor having to make payment under the guarantee is remote. The disclosure requirements within FIN 45 are effective for financial statements for annual or interim periods ending after December 15, 2002. The initial recognition and initial measurement provisions are applicable on a prospective basis to guarantees issued or modified after December 31, 2002. The Operating Partnership adopted FIN 45 on January 1, 2003. The adoption of this interpretation did not have a material effect on the results of operations or the financial position of the Operating Partnership.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN 46"), which explains how to identify variable interest entities ("VIE") and how to assess whether to consolidate such entities. The provisions of this interpretation are immediately effective for VIE's formed after January 31, 2003. For VIE's formed prior to January 31, 2003, the provisions of this interpretation apply to the first fiscal year or interim period beginning after June 15, 2003. Management has not yet determined whether any of its consolidated or unconsolidated subsidiaries represent VIE's pursuant to such interpretation. Such determination could result in a change in the Operating Partnership's consolidation policy related to such entities.

Certain prior period amounts have been reclassified to conform to the current period presentation.

The net income allocable to common unit holders for the three month period ended March 31, 2002 has been adjusted to record the amortization of stock loans to certain executive and senior officers of the Company and other costs incurred by the Company on behalf of the Operating Partnership which aggregated, in total, approximately $950,000. Such amount also adjusted net income per weighted average common unit by $(.01) and $(.02) with respect to the Class A common and Class B common units, respectively.

3. MORTGAGE NOTES PAYABLE

As of March 31, 2003, the Operating Partnership had approximately $737.1 million of fixed rate mortgage notes which mature at various times between 2004 and 2027. The notes are secured by 21 properties with an aggregate carrying value of approximately $1.5 billion, which are pledged as collateral against the mortgage notes payable. In addition, approximately $44.8 million of the $737.1 million is recourse to the Operating Partnership and certain of the mortgage notes payable are guaranteed by certain limited partners in the Operating Partnership and/or the Company.

The following table sets forth the Operating Partnership's mortgage notes payable as of March 31, 2003, by scheduled maturity date (dollars in thousands):

Property	Principal Outstanding	Interest Rate	Maturity Date	Amortization Term (Years)
80 Orville Dr, Islip, NY	2,616	10.10%	February, 2004	Interest only
395 North Service Road, Melville, NY	19,607	6.45%	October, 2005	$34 per month
200 Summit Lake Drive, Valhalla, NY	19,268	9.25%	January, 2006	25
1350 Avenue of the Americas, NY, NY	74,421	6.52%	June, 2006	30
Landmark Square, Stamford, CT (a)	44,832	8.02%	October, 2006	25
100 Summit Lake Drive, Valhalla, NY				

	18,766	8.50%	April, 2007	15
333 Earle Ovington Blvd, Mitchel Field, NY (b)	53,622	7.72%	August, 2007	25
810 Seventh Avenue, NY, NY	82,480	7.73%	August, 2009	25
100 Wall Street, NY, NY	35,742	7.73%	August, 2009	25
6900 Jericho Turnpike, Syosset, NY	7,319	8.07%	July, 2010	25
6800 Jericho Turnpike, Syosset, NY	13,867	8.07%	July, 2010	25
580 White Plains Road, Tarrytown, NY	12,635	7.86%	September, 2010	25
919 Third Ave, NY, NY (c)	246,144	6.867%	August, 2011	30
110 Bi-County Blvd., Farmingdale, NY	3,579	9.125%	November, 2012	20
One Orlando Center, Orlando, FL (d)	38,218	6.82%	November, 2027	28
120 West 45th Street, NY, NY (d)	64,015	6.82%	November, 2027	28
Total/Weighted Average	$ 737,131	7.26%		

- ------------------------

(a) Encompasses six Class A office properties

(b) The Operating Partnership has a 60% general partnership interest in this property and its proportionate share of the aggregate principal amount is approximately $32.2 million

(c) The Operating Partnership has a 51% membership interest in this property and its proportionate share of the aggregate principal amount is approximately $125.5 million

(d) Subject to interest rate adjustment on November 1, 2004 to the greater of 8.82% per annum or the yield on non-callable U.S. Treasury obligations with a term of fifteen years plus 2% per annum.

In addition, the Operating Partnership has a 60% interest in an unconsolidated joint venture property. The Operating Partnership's pro rata share of the mortgage debt at March 31, 2003 is approximately $7.5 million. This mortgage note payable bears interest at 8.85% per annum and matures on September 1, 2005.

4. SENIOR UNSECURED NOTES

As of March 31, 2003, the Operating Partnership had outstanding approximately $499.3 million (net of issuance discounts) of senior unsecured notes (the "Senior Unsecured Notes"). The following table sets forth the Operating Partnership's Senior Unsecured Notes and other related disclosures by scheduled maturity date (dollars in thousands):

ISSUANCE	FACE AMOUNT	COUPON RATE	TERM	MATURITY
~~March 26, 1999~~	~~$100,000~~	~~7.40%~~	~~5 years~~	~~March 15, 2004~~
~~June 17, 2002~~	~~$ 50,000~~	~~6.00%~~	~~5 years~~	~~June 15, 2007~~
~~August 27, 1997~~	~~$150,000~~	~~7.20%~~	~~10 years~~	~~August 28, 2007~~
~~March 26, 1999~~	~~$200,000~~	~~7.75%~~	~~10 years~~	~~March 15, 2009~~

Interest on the Senior Unsecured Notes is payable semi-annually with principal and unpaid interest due on the scheduled maturity dates. In addition, the Senior Unsecured Notes issued on March 26, 1999 and June 17, 2002 were issued at aggregate discounts of $738,000 and $267,500, respectively. Such discounts are being amortized over the term of the Senior Unsecured Notes to which they relate.

5. UNSECURED CREDIT FACILITY

The Operating Partnership currently has a three year $500 million unsecured revolving credit facility (the "Credit Facility") from JPMorgan Chase Bank, as administrative agent, Wells Fargo Bank, National Association, as syndication agent, and Citicorp North America, Inc. and Wachovia Bank, National Association, as co-documentation agents. The Credit Facility matures in December 2005, contains options for a one year extension subject to a fee of 25 basis points and, upon receiving additional lender commitments, increasing the maximum revolving credit amount to $750 million. In addition, borrowings under the Credit Facility are currently priced off LIBOR plus 90 basis points and the Credit Facility carries a facility fee of 20 basis points per annum. In the event of a change in the Operating Partnership's unsecured credit rating the interest rates and facility fee are subject to change. The outstanding borrowings under the Credit Facility were $302.0 million at March 31, 2003.

The Operating Partnership utilizes the Credit Facility primarily to finance real estate investments, fund its real estate development activities and for working capital purposes. At March 31, 2003, the Operating Partnership had availability under the Credit Facility to borrow approximately an additional $198.0 million, subject to compliance with certain financial covenants.

6. COMMERCIAL REAL ESTATE INVESTMENTS

As of March 31, 2003, the Operating Partnership owned and operated 75 office properties (inclusive of eleven office properties owned through joint ventures) comprising approximately 13.6 million square feet, 101 industrial properties comprising approximately 6.7 million square feet and two retail properties comprising approximately 20,000 square feet located in the Tri-State Area.

The Operating Partnership also owns approximately 313 acres of land in 12 separate parcels of which the Operating Partnership can develop approximately 3.1 million square feet of office space and approximately 400,000 square feet of industrial / R&D space. The Operating Partnership is currently evaluating alternative land uses for certain of the land holdings to realize the highest economic value. These alternatives may include rezoning certain land parcels from commercial to residential for potential disposition. As of March 31, 2003, the Operating Partnership had invested approximately $115.4 million in these development projects. Management has made subjective assessments as to the value and recoverability of these investments based on current and proposed development plans market comparable land values and alternative use values. The Operating Partnership has capitalized approximately $2.3 million and $3.3 million for the three months ended March 31, 2003 and 2002, respectively, related to real estate taxes, interest and other carrying costs related to these development projects.

During February 2003, the Operating Partnership, through Reckson Construction Group, Inc., entered into a contract with an affiliate of First Data Corp. to sell a 19.3-acre parcel of land located in Melville, New York and has been retained by the purchaser to develop a build-to-suit 195,000 square foot office building for aggregate consideration of approximately $47 million. This transaction closed on March 11, 2003 and development of the aforementioned office building has commenced. Net proceeds from the land sale of approximately $18.3 million were used to establish an escrow account with a qualified intermediary for a future exchange of real property pursuant to Section 1031 of the Code and is included in prepaid expenses and other assets on the accompanying balance sheet. The Code allows for the deferral of taxes related to the gain attributable to the sale of property if such qualified identified replacement property is identified within 45 days and acquired within 180 days from the initial sale. The Operating Partnership has identified certain properties and interests in properties for purposes of this exchange. In accordance with Statement No. 66, the Operating Partnership has estimated its pre-tax gain on this land sale and build-to-suit transaction to be approximately $16.6 million of which $5.8 million has been recognized in the current period and is included in investment and other income on the accompanying statement of income. Approximately $10.8 million has been deferred to future periods which will be recognized as the development progresses.

The Operating Partnership holds a $17.0 million interest in a note receivable which bears interest at 12% per annum and is secured by a minority partnership interest in Omni Partners, L.P., owner of the Omni, a 579,000 square foot Class A office property located in Uniondale, NY (the "Omni Note"). The Operating Partnership currently owns a 60% majority interest in Omni Partnership, L.P. and on March 14, 2007 may exercise an option to acquire the remaining 40% interest for a price based on 90% of the fair market value of the property. The Operating Partnership also holds three other notes receivable aggregating $36.5 million which bear interest at rates ranging from 10.5% to 12% per annum and are secured in part by a minority partner's preferred unit interest in the Operating Partnership, certain real property and a personal guarantee (the "Other Notes" and collectively with the Omni Note, the "Note Receivable Investments"). As of March 31, 2003, management has made subjective assessments as to the underlying security value on the Operating Partnership's Note Receivable Investments. These assessments indicated an excess of market value over carrying value related to the Operating Partnership's Note Receivable Investments. Based on these assessments, the Operating Partnership's management believes there is no impairment to the carrying value related to the Operating Partnership's Note Receivable Investments. The Operating Partnership also owns a 355,000 square foot office building in Orlando, Florida. This non-core real estate holding was acquired in May 1999 in connection with the Operating Partnership's initial New York City portfolio acquisition. This property is cross collateralized under a $102 million mortgage note along with one of the Operating Partnership's New York City buildings.

The Operating Partnership also owns a 60% non-controlling interest in a 172,000 square foot office building located at 520 White Plains Road in White Plains, New York (the "520JV"), which it manages. The remaining 40% interest is owned by JAH Realties, L.P. Jon Halpern, the CEO and a director of HQ Global Workplaces, is a partner in JAH Realties, L.P. As of March 31, 2003, the 520JV had total assets of $20.7 million, a mortgage note payable of $12.4 million and other liabilities of $217,000. The Operating Partnership's allocable share of the 520JV mortgage note payable is approximately $7.5 million. This mortgage note payable bears interest at 8.85% per annum and matures on September 1, 2005. In addition, the 520JV had total revenues of $979,000 and total expenses of $844,000 for the three months ended March 31, 2003. The operating agreement of the 520JV requires joint decisions from all members on all significant operating and capital decisions including sale of the property, refinancing of the property's mortgage debt, development and approval of leasing strategy and leasing of rentable space. As a result of the decision-making participation relative to the operations of the property, the Operating Partnership accounts for the 520JV under the equity method of accounting. The 520JV contributed approximately $106,000 to the Operating Partnership's equity in earnings of real estate joint ventures for the three months ended March 31, 2003. For the three months ended March 31, 2002, the Operating Partnership recorded its allocable share of a loss from the 520JV of approximately $72,000.

During September 2000, the Operating Partnership formed a joint venture (the "Tri-State JV") with Teachers Insurance and Annuity Association ("TIAA") and contributed nine Class A suburban office properties aggregating approximately 1.5 million square feet to the Tri-State JV for a 51% majority ownership interest. TIAA contributed approximately $136 million for a 49% interest in the Tri-State JV which was then distributed to the Operating Partnership. The Operating Partnership is responsible for managing the day-to-day operations and business affairs of the Tri-State JV and has substantial rights in making decisions affecting the properties such as leasing, marketing and financing. The minority member has certain rights primarily intended to protect its investment. For purposes of its financial statements the Operating Partnership consolidates the Tri-State JV.

On December 21, 2001, the Operating Partnership formed a joint venture with the New York State Teachers' Retirement Systems ("NYSTRS") (the "919JV") whereby NYSTRS acquired a 49% indirect interest in the property located at 919 Third Avenue, New York, NY for $220.5 million which included $122.1 million of its proportionate share of secured mortgage debt and approximately $98.4 million of cash which was then distributed to the Operating Partnership. The Operating Partnership is responsible for managing the day-to-day operations and business affairs of the 919JV and has substantial rights in making decisions affecting the property such as developing a budget, leasing and marketing. The minority member has certain rights primarily intended to protect its investment. For purposes of its financial statements the Operating Partnership consolidates the 919JV.

7. PARTNERS' CAPITAL

On March 31, 2003, the Operating Partnership had issued and outstanding 9,915,313 Class B common units, all of which are held by the Company. The distribution on the Class B units is subject to adjustment annually based on a formula which measures increases or decreases in the Company's Funds From Operations, as defined, over a base year.

The Class B common units are exchangeable at any time, at the option of the holder, into an equal number of Class A common units subject to customary antidilution adjustments. The Operating Partnership, at its option, may redeem any or all of the Class B common units in exchange for an equal number of Class A common units at any time following November 23, 2003 at which time the Operating Partnership anticipates that it will exercise its option to redeem all of its Class B common units outstanding.

During March 2003, the Operating Partnership declared the following distributions:

SECURITY	DISTRIBUTION	RECORD DATE	PAYMENT DATE	THREE MONTHS ENDED	ANNUALIZED DISTRIBUTION
Class A common unit	$.4246	April 4, 2003	April 17, 2003	March 31, 2003	$1.6984
Class B common unit	$.6471	April 14, 2003	April 30, 2003	April 30, 2003	$2.5884
Series A preferred unit	$.476563	April 14, 2003	April 30, 2003	April 30,	

~~2003~~
~~$1.9063~~
~~Series E~~
~~preferred~~
~~unit~~
~~$.553125~~
~~April 14,~~
~~2003 April~~
~~30, 2003~~
~~April 30,~~
~~2003~~
~~$2.2125~~

The Board of Directors of the Company has authorized the purchase of up to five million shares of the Company's Class A common stock and / or its Class B common stock. Transactions conducted on the New York Stock Exchange will be effected in accordance with the safe harbor provisions of the Securities Exchange Act of 1934 and may be terminated by the Company at any time. During the three months ended March 31, 2003, under this buy-back program, the Operating Partnership purchased 252,000 Class A common units at an average price of $18.01 per Class A unit for an aggregate purchase price of approximately $4.5 million.

The following table sets forth the activity under the current buy-back program (dollars in thousands except per unit data):

UNITS AVERAGE
AGGREGATE PURCHASED
PRICE PER UNIT
PURCHASE PRICE -----
-------------- ----
----------------- -

~~Current program:~~
~~Class A common~~
~~2,950,400 $ 21.30 $~~
~~62,830 Class B~~
~~Common 368,200 $~~
~~22.90 8,432~~

~~3,318,600 $ 71,262~~
~~===================~~
~~===================~~

The Board of Directors of the Company has formed a pricing committee to consider purchases of up to $75 million of the Company's outstanding preferred securities.

On March 31, 2003, the Company had 8,834,500 shares of its Class A preferred stock issued and outstanding. During the fourth quarter of 2002, the Company purchased and retired 357,500 shares of its Class A preferred stock at $22.29 per share for approximately $8.0 million. As a result, the Operating Partnership purchased and retired an equal number of preferred units of general partnership interest from the Company and reduced annual preferred distributions by approximately $682,000.

Net income per common partnership unit is determined by allocating net income after preferred distributions and minority partners' interest in consolidated partnerships income to the general and limited partners' based on their weighted average distribution per common partnership units outstanding during the respective periods presented.

Holders of preferred units of limited and general partnership interest are entitled to distributions based on the stated rates of return (subject to adjustment) for those units.

The Company had historically structured long term incentive programs ("LTIP") using restricted stock and stock loans. In July 2002, as a result of certain provisions of the Sarbanes Oxley legislation, the Company discontinued the use of stock loans in its LTIP. In connection with LTIP grants made prior to the enactment of the Sarbanes Oxley legislation the Company made stock loans to certain executive and senior officers to purchase 1,372,393 shares of its Class A common stock at market prices ranging from $18.44 per share to $27.13 per share. The stock loans were set to bear interest at the mid-term Applicable Federal Rate and were secured by the shares purchased. Such stock loans (including accrued interest) vest and are ratably forgiven each year on the anniversary of the grant date based upon vesting periods ranging from four to ten years based on continued service and in part on attaining certain annual performance measures. These stock loans had an initial aggregate weighted average vesting period of approximately nine years. Approximately $1.1 million of compensation expense was recorded for the three month periods ended March 31, 2003 and 2002 related to these LTIP. Such amount has been included in marketing, general and administrative expenses on the accompanying consolidated statements of income.

The outstanding stock loan balances due from the Company's executive and senior officers aggregated approximately $14.5 million and $17.0 million at March 31, 2003 and December 31, 2002, respectively, and have been included as a reduction of additional paid in capital on the accompanying consolidated balance sheets. Other outstanding loans to the Company's executive and senior officers amounting to approximately $1.0 million at March 31, 2003 and December 31, 2002, related to life insurance contracts and approximately $2.1 million and $1.0 million at March 31, 2003 and December 31, 2002, respectively, primarily related to tax payment advances on a stock compensation awards made to certain of the Company's non-executive officers.

In November 2002 and March 2003 an award of rights was granted to certain executive officers of the Company (the "2002 Rights" and "2003 Rights", respectively and collectively, the "Rights"). Each Right represents the right to receive, upon vesting, one share of Class A common stock if shares are then available for grant under one of the Company's stock option plans or, if shares are not so available, an amount of cash equivalent to the value of such stock on the vesting date. The 2002 Rights will vest in four equal annual installments beginning on November 14, 2003 (and shall be fully vested on November 14, 2006). The 2003 Rights will be earned as of March 13, 2005 and will vest in three equal annual installments beginning on March 13, 2005 (and shall be fully vested on March 13, 2007). Dividends on the shares will be held by the Company until such shares become vested, and will be distributed thereafter to the applicable officer. The 2002 Rights also entitle the holder thereof to cash payments in respect of taxes payable by the holder resulting from the Rights. The 2002 Rights aggregate 190,524 shares of the Company's Class A common stock and the 2003 Rights aggregate 60,760 shares of Class A common stock. In addition, during the three months ended March 31, 2003, the Operating Partnership recorded approximately $216,000 of compensation expense related to the Rights. Such amount has been included in marketing, general and administrative expenses on the accompanying consolidated statement of income.

In March 2003, the Company established a new LTIP for its executive and senior officers. The four-year plan has a core award which provides for annual stock based compensation based upon continued service and in part based on attaining certain annual performance measures. The plan also has a special outperformance award which provides for compensation to be earned at the end of a four year period if the Company attains certain four year cumulative performance measures. Amounts earned under the special outperformance award may be paid in cash or stock at the discretion of the Compensation Committee of the Board. Performance measures are based on total shareholder returns on a relative and absolute basis. On March 13, 2003, the Company made available 1,384,102 shares of its Class A common stock under its existing stock option plans in connection with the core award of this LTIP for twelve of its executive and senior officers. In addition, with respect to the core award of this LTIP, the Operating Partnership recorded approximately $268,000 of compensation expense for the period March 13, 2003 through March 31, 2003. Such amount is included in marketing, general and administrative expenses on the accompanying consolidated statement of income. Further, no provision will be made for the special outperformance award of this LTIP until such time as achieving the requisite performance measures is determined to be probable.

The Operating Partnership issues additional units to the Company, and thereby increases the Company's general partnership interest in the Operating Partnership, with terms similar to the terms of any securities (i.e.: common stock or preferred stock) issued by the Company (including any securities issued by the Company upon the exercise of stock options). Any consideration received by the Company in respect of the issuance of its securities is contributed to the Operating Partnership. In addition, the Operating Partnership or a subsidiary, funds the compensation of personnel, including any amounts payable under the Company's LTIP.

As of March 31, 2003, the Company had approximately 6.6 million shares of its Class A common stock reserved for issuance under its stock option plans, in certain cases subject to vesting terms, at a weighted average exercise price of $22.27 per option. In addition, the Company has approximately 295,000 shares of its Class A common stock reserved for future issuance under its stock option plans.

8. SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION (in thousands)

	THREE MONTHS ENDED MARCH 31, 2003	THREE MONTHS ENDED MARCH 31, 2002
Cash paid during the period for interest	$30,076	$31,219
Interest capitalized during the period	$ 1,854	$ 2,607

9. SEGMENT DISCLOSURE

The Operating Partnership's portfolio consists of Class A office properties located within the New York City metropolitan area and Class A suburban office and industrial / R&D properties located and operated within the Tri-State Area (the "Core Portfolio"). The Operating Partnership's portfolio also includes one office property located in Orlando, Florida. The Operating Partnership has managing directors who report directly to the Co-Presidents and Chief Financial Officer of the Company who have been identified as the Chief Operating Decision Makers due to their final authority over resource allocation decisions and performance assessment.

The Operating Partnership does not consider (i) interest incurred on its Credit Facility and Senior Unsecured Notes, (ii) the operating performance of the office property located in Orlando, Florida (iii) the operating performance of those properties reflected as discontinued operations on the Operating Partnership's consolidated statements of operations and (iv) the operating results of the Service Companies as part of its Core Portfolio's property operating performance for purposes of its component disclosure set forth below.

The following table sets forth the components of the Operating Partnership's revenues and expenses and other related disclosures for the three months ended March 31, 2003 and 2002 (in thousands):

	Three months ended					
	March 31, 2003			March 31, 2002		
	Core Portfolio	Other	CONSOLIDATED TOTALS	Core Portfolio	Other	CONSOLIDATED TOTALS
REVENUES:						
Base rents, tenant escalations and reimbursements	$ 121,640	$ 1,801	$ 123,441	$ 119,397	$ 2,307	$ 121,704
Other income (loss)	761	6,558	7,319	415	1,675	2,090
Total Revenues	122,401	8,359	130,760	119,812	3,982	123,794
EXPENSES:						
Property operating expenses	46,990	844	47,834	41,103	792	41,895
Marketing, general and administrative	4,666	3,593	8,259	4,560	2,535	7,095
Interest						

~~................ 12,760 10,090 22,850 12,964 8,032 20,996 Depreciation and amortization .... 30,384 1,600 31,984 24,391 1,539 25,930 Total Expenses .... 94,800 16,127 110,927 83,018 12,898 95,916~~

~~Income (loss) before minority interests, distributions to preferred unitholders, equity in earnings of real estate joint ventures and service companies, gain on sales of depreciable real estate assets and discontinued operations $ 27,601 $ (7,768) $ 19,833 $ 36,794 (8,916) $ 27,878~~

~~========== ========== ========== ========== ========== ==========~~

~~Total Assets .... $2,665,982 $ 242,482 $2,908,464 $2,660,419 $ 260,572 $2,920,991~~

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10. RELATED PARTY TRANSACTIONS

In connection with the IPO, the Operating Partnership was granted ten year options to acquire ten properties (the "Option Properties") which are either owned by certain Rechler family members who are also executive officers of the Company, or in which the Rechler family members own a non-controlling minority interest at a price based upon an agreed upon formula. In years prior to 2001, one Option Property was sold by the Rechler family members to a third party and four of the Option Properties were acquired by the Operating Partnership for an aggregate purchase price of approximately $35 million, which included the issuance of approximately 475,000 Units valued at approximately $8.8 million. Currently, certain Rechler family members retain their equity interests in the five remaining Option Properties (the "Remaining Option Properties") which were not contributed to the Company as part of the IPO. Such options provide the Operating Partnership the right to acquire fee interest in two of the Remaining Option Properties and the Rechler's minority interests in three Remaining Option Properties. During May 2003, the Independent Directors approved the exercise by the Company of its option to acquire the Rechler's fee interest in two of the Remaining Option Properties (225 Broad Hollow Road and 593 Acorn Street) and to provide customary tax protection from the sale or disposition of these properties by the Company for a five-year period. In addition, the Rechler family members agreed to extend the term of the three remaining unexercised options for an additional two years. Both of these properties are located on

Long Island and aggregate approximately 228,000 square feet. Aggregate consideration to acquire the two Remaining Option Properties is approximately $22.1 million which includes the assumption of approximately $19.0 million of mortgage notes payable and the issuance of approximately 145,000 Units. The Operating Partnership anticipates that it will acquire these two Remaining Option Properties in July 2003 and prepay or retire approximately $6.1 million of the assumed debt.

As part of the Company's REIT structure it is provided management, leasing and construction related services through taxable REIT subsidiaries as defined by the Internal Revenue Code of 1986 as amended (the "Code"). These services are currently provided by the Service Companies in which, as of September 30, 2002, the Operating Partnership owned a 97% non-controlling interest. An entity which is substantially owned by certain Rechler family members who are also executive officers of the Company owned a 3% controlling interest in the Service Companies. In order to minimize the potential for corporate conflicts of interests, which became possible as a result of changes to the Code that permit REITs to own 100% of taxable REIT subsidiaries the Independent Directors of the Company approved the purchase by the Operating Partnership of the remaining 3% interest in the Service Companies. On October 1, 2002, the Operating Partnership acquired such 3% interests in the Service Companies for an aggregate purchase price of approximately $122,000. Such amount was less than the total amount of capital contributed by the Rechler family members. As a result of the acquisition of the remaining interests in the Service Companies, the Operating Partnership commenced consolidating the operations of the Service Companies. During the nine months ended March 31, 2003, Reckson Construction Group, Inc. billed approximately $125,100 of market rate services and Reckson Management Group, Inc. billed approximately $71,000 of market rate management fees to the Remaining Option Properties. In addition, for the three months ended March 31, 2003, Reckson Construction Group, Inc. performed market rate services, aggregating approximately $20,000, for a property in which certain executive officers of the Company maintain an equity interest.

Reckson Management Group, Inc. leases 43,713 square feet of office and storage space at a Remaining Option Property located at 225 Broad Hollow Road, Melville, New York for its corporate offices at an annual base rent of approximately $1.2 million. Reckson Management Group, Inc. also leases 10,722 square feet of warehouse space used for equipment, materials and inventory storage at a Remaining Option Property located at 593 Acorn Street, Deer Park, New York at an annual base rent of approximately $72,000.

A company affiliated with an Independent Director of the Company leases 15,566 square feet in a property owned by the Company at an annual base rent of approximately $431,500. Reckson Strategic Venture Partners, LLC ("RSVP") leases 5,144 square feet in one of the Operating Partnership's joint venture properties at an annual base rent of approximately $176,000.

During 1997, the Company formed FrontLine Capital Group, formerly Reckson Service Industries, Inc. ("FrontLine") and RSVP. RSVP is a real estate venture capital fund which invests primarily in real estate and real estate operating companies outside the Company's core office and industrial / R&D focus and whose common equity is held indirectly by FrontLine. In connection with the formation and spin-off of FrontLine, the Operating Partnership established an unsecured credit facility with FrontLine (the "FrontLine Facility") in the amount of $100 million for FrontLine to use in its investment activities, operations and other general corporate purposes. The Company has advanced approximately $93.4 million under the FrontLine Facility. The Operating Partnership also approved the funding of investments of up to $100 million relating to RSVP (the "RSVP Commitment"), through RSVP-controlled joint ventures (for REIT-qualified investments) or advances made to FrontLine under an unsecured loan facility (the "RSVP Facility") having terms similar to the FrontLine Facility (advances made under the RSVP Facility and the FrontLine Facility hereafter, the "FrontLine Loans"). During March 2001, the Company increased the RSVP Commitment to $110 million and as of March 31, 2003 approximately $109.1 million had been funded through the RSVP Commitment, of which $59.8 million represents investments by the Company in RSVP-controlled (REIT-qualified) joint ventures and $49.3 million represents loans made to FrontLine under the RSVP Facility. As of March 31, 2003 interest accrued (net of reserves) under the FrontLine Facility and the RSVP Facility was approximately $19.6 million. RSVP retained the services of two managing directors to manage RSVP's day-to-day operations. Prior to the spin off of FrontLine, the Company guaranteed certain salary provisions of their employment agreements with RSVP Holdings, LLC, RSVP's common member. The term of these employment agreements is seven years commencing March 5, 1998 provided however, the term may be earlier terminated after five years upon certain circumstances. The salary for each managing director is $1 million in the first five years and $1.6 million in years six and seven.

At June 30, 2001, the Company assessed the recoverability of the FrontLine Loans and reserved approximately $3.5 million of the interest accrued during the three-month period then ended. In addition, the Company formed a committee of its Board of Directors, comprised solely of independent directors, to consider any actions to be taken by the Company in connection with the FrontLine Loans and its investments in joint ventures with RSVP. During the third quarter of 2001, the Company noted a significant deterioration in FrontLine's operations and financial condition and, based on its assessment of value and recoverability and considering the findings and recommendations of the committee and its financial advisor, the Company recorded a $163 million valuation reserve charge, inclusive of anticipated costs, in its consolidated statements of operations relating to its investments in the FrontLine Loans and joint ventures with RSVP. The Company has discontinued the accrual of interest income with respect to the FrontLine Loans. The Company has also reserved against its share of GAAP equity in earnings from the RSVP controlled joint ventures funded through the RSVP Commitment until such income is realized through cash distributions.

At December 31, 2001, the Company, pursuant to Section 166 of the Code charged off for tax purposes $70 million of the aforementioned reserve directly related to the FrontLine Facility, including accrued interest. On February 14, 2002, the Company charged off for tax purposes an additional $38 million of the reserve directly related to the FrontLine Facility, including accrued interest and $47 million of the reserve directly related to the RSVP Facility, including accrued interest.

FrontLine is in default under the FrontLine Loans from the Operating Partnership and on June 12, 2002, filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code.

As a result of the foregoing, the net carrying value of the Company's investments in the FrontLine Loans and joint venture investments with RSVP, inclusive of the Company's share of previously accrued GAAP equity in earnings on those investments, is approximately $65 million which was reassessed with no change by management as of March 31, 2003. Such amount has been reflected in investments in service companies and affiliate loans and joint ventures on the Company's consolidated balance sheet.

On or about April 29, 2003, RSVP entered into agreements regarding the restructuring of its capital structure and arrangements with its management. In connection with such restructuring, RSVP transferred $41 million in cash, and the assets that comprised its parking investments valued at approximately $28.5 million to the preferred equity holders in RSVP. In addition, RSVP agreed to redeem the preferred equity holders' interests for an additional $95.8 million in cash, subject to a financing contingency. RSVP also agreed to restructure its relationship with its current managing directors, conditioned upon the redemption of the preferred equity interests, whereby a management company formed by the managing directors will be retained to manage RSVP. RSVP will enter into a management agreement that will provide for an annual base management fee, and disposition fees equal to 2% of the net proceeds received by RSVP on asset sales. (The base fee and disposition fees together being subject to a maximum amount over the term of the agreement, of $7.5 million.) In addition, the managing directors will retain a subordinate residual interest in RSVP's assets. The management agreement will have a three-year term, subject to early termination in the event of the disposition of all of the assets of RSVP. As a result of this new arrangement, the employment contracts of the managing directors will be terminated. There can be no assurance that any of the foregoing pending transactions will be completed. In the event that the redemption of the preferred does not close, all parties rights shall remain unaffected, including the rights relating to a dispute between common and preferred members over certain provisions of the RSVP operating agreement.

Both the FrontLine Facility and the RSVP Facility terminate on June 15, 2003, are unsecured and advances thereunder are recourse obligations of FrontLine. Notwithstanding the valuation reserve, under the terms of the credit facilities, interest accrues on the FrontLine Loans at a rate equal to the greater of (a) the prime rate plus two percent and (b) 12% per annum, with the rate on amounts that are outstanding for more than one year increasing annually at a rate of four percent of the prior year's rate. In March 2001, the credit facilities were amended to provide that (i) interest is payable only at maturity and (ii) the Company may transfer all or any portion of its rights or obligations under the credit facilities to its affiliates. The Company requested these changes as a result of changes in REIT tax laws. As a result of FrontLine's default under the FrontLine Loans, interest on borrowings thereunder accrue at default rates ranging between 13% and 14.5% per annum.

Scott H. Rechler, who serves as Co-Chief Executive Officer and a director of the Company, serves as CEO and Chairman of the Board of Directors of FrontLine and is its sole board member. Scott H. Rechler also serves as a member of the management committee of RSVP.

11. COMMITMENTS AND CONTINGENCIES

HQ Global Workplaces, Inc. ("HQ"), one of the largest providers of flexible officing solutions in the world and which is controlled by FrontLine, currently operates eight (formerly eleven) executive office centers in the Operating Partnership's properties, two of which are held through joint ventures. The leases under which these office centers operate expire between 2008 and 2011, encompass approximately 171,000 square feet and have current contractual annual base rents of approximately $4.2 million. On March 13, 2002, as a result of experiencing financial difficulties, HQ voluntarily filed a petition for relief under Chapter 11 of the U.S. Bankruptcy Code. As of June 30, 2002, HQ's leases with the Operating Partnership were in default. Further, the Bankruptcy Court has granted HQ's petition to reject three of its leases with the Operating Partnership, one of which is held through the 919JV. The two rejected leases, held through wholly owned entities, aggregated approximately 23,700 square feet and were to provide for contractual base rents of approximately $600,000 for the 2003 calendar year. The third rejected lease held through the 919JV aggregated approximately 31,000 square feet and provided for contractual base rents of approximately $1.9 million for the 2003 calendar year. Pursuant to the bankruptcy filing, HQ has been paying current rental charges under its leases with the Operating Partnership, other than under the three rejected leases. The Operating Partnership is in negotiation to restructure three of the leases and leave the terms of the remaining five leases unchanged. All negotiations with HQ are conducted by a committee designated by the Board and chaired by an independent director. There can be no assurance as to whether any deal will be consummated with HQ or if HQ will affirm or reject any or all of its remaining leases with the Operating Partnership. As a result of the foregoing, the Operating Partnership has currently established reserves of approximately $360,000 (net of minority partners' interests and including the Operating Partnership's share of unconsolidated joint venture interest), or 50%, of the amounts due from HQ as of March 31, 2003. Scott H. Rechler serves as the non-Executive Chairman of the Board and Jon Halpern is the Chief Executive Officer and a director of HQ.

WorldCom/MCI and its affiliates ("WorldCom"), a telecommunications company, which leased approximately 527,000 square feet in thirteen of the Operating Partnership's properties located throughout the Tri-State Area voluntarily filed a petition for relief under Chapter 11 of the U.S. Bankruptcy Code on July 21, 2002. During February 2003, the Bankruptcy Court granted WorldCom's petition to reject three of its leases with the Operating Partnership. The three rejected leases aggregated approximately 192,000 square feet and provided for contractual base rents of approximately $4.8 million for the 2003 calendar year. All of WorldCom's leases are current on base rental charges through May 31, 2003, other than under the three rejected leases and the Operating Partnership currently holds approximately $300,000 in security deposits relating to the non-rejected leases. The Operating Partnership is currently in negotiations to restructure the remaining WorldCom leases. There can be no assurance as to whether any deal will be consummated with WorldCom or if WorldCom will affirm or reject any or all of its remaining leases with the Operating Partnership.

As of March 31, 2003, WorldCom occupied approximately 335,000 square feet of office space with aggregate annual base rental revenues of approximately $6.7 million, or 1.8% of the Operating Partnership's total 2003 annualized rental revenue, making it the Operating Partnership's third largest tenant based on base rental revenue earned on a consolidated basis.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the historical financial statements of Reckson Operating Partnership, L. P. (the "Operating Partnership") and related notes.

The Operating Partnership considers certain statements set forth herein to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, with respect to the Operating Partnership's expectations for future periods. Certain forward-looking statements, including, without limitation, statements relating to the timing and success of acquisitions and the completion of development or redevelopment of properties, the financing of the Operating Partnership's operations, the ability to lease vacant space and the ability to renew or relet space under expiring leases, involve risks and uncertainties. Many of the forward-looking statements can be identified by the use of words such as "believes", "may", "expects", "anticipates", "intends" or similar expressions. Although the Operating Partnership believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, the actual results may differ materially from those set forth in the forward-looking statements and the Operating Partnership can give no assurance that its expectation will be achieved. Among those risks, trends and uncertainties are: the general economic climate, including the conditions affecting industries in which our principal tenants compete; changes in the supply of and demand for office and industrial / R&D properties in the New York Tri-State area; changes in interest rate levels; downturns in rental rate levels in our markets and our ability to lease or re-lease space in a timely manner at current or anticipated rental rate levels; the availability of financing to us or our tenants; financial condition of our tenants; changes in operating costs, including utility, security and insurance costs; repayment of debt owed to the Operating Partnership by third parties (including FrontLine Capital Group); risks associated with joint ventures; liability for uninsured losses or environmental matters; and other risks associated with the development and acquisition of properties, including risks that development may not be completed on schedule, that the tenants will not take occupancy or pay rent, or that development or operating costs may be greater than anticipated. Consequently, such forward-looking statements should be regarded solely as reflections of the Operating Partnership's current operating and development plans and estimates. These plans and estimates are subject to revisions from time to time as additional information becomes available, and actual results may differ from those indicated in the referenced statements.

CRITICAL ACCOUNTING POLICIES

The consolidated financial statements of the Operating Partnership include accounts of the Operating Partnership and all majority-owned subsidiaries. The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions in certain circumstances that affect amounts reported in the Operating Partnership's consolidated financial statements and related notes. In preparing these financial statements, management has utilized information available including its past history, industry standards and the current economic environment among other factors in forming its estimates and judgments of certain amounts included in the consolidated financial statements, giving due consideration to materiality. It is possible that the ultimate outcome as anticipated by management in formulating its estimates inherent in these financial statements may not materialize. However, application of the critical accounting policies below involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. In addition, other companies may utilize different estimates, which may impact comparability of the Operating Partnership's results of operations to those of companies in similar businesses.

Revenue Recognition and Accounts Receivable

Rental revenue is recognized on a straight line basis, which averages minimum rents over the terms of the leases. The excess of rents recognized over amounts contractually due are included in deferred rents receivable on the Operating Partnership's balance sheets. The leases also typically provide for tenant reimbursements of common area maintenance and other operating expenses and real estate taxes. Ancillary and other property related income is recognized in the period earned.

The Operating Partnership makes estimates of the collectibility of its tenant receivables related to base rents, tenant escalations and reimbursements and other revenue or income. The Operating Partnership specifically analyzes tenant receivables and analyzes historical bad debts, customer credit worthiness, current economic trends, changes in customer payment terms, publicly available information and, to the extent available, guidance provided by the tenant when evaluating the adequacy of its allowance for doubtful accounts. In addition, when tenants are in bankruptcy the Operating Partnership makes estimates of the expected recovery of pre-petition administrative and damage claims. In some cases, the ultimate resolution of those claims can exceed a year. These estimates have a direct impact on the Operating Partnership's net income, because a higher bad debt reserve results in less net income.

During the three months ended March 31, 2003, the Operating Partnership incurred approximately $2.0 million of bad debt expense related to tenant receivables and deferred rents receivable which accordingly reduced total revenues and reported net income during the period.

The Operating Partnership records interest income on investments in mortgage notes and notes receivable on an accrual basis of accounting. The Operating Partnership does not accrue interest on impaired loans where, in the judgment of management, collection of interest according to the contractual terms is considered doubtful. Among the factors the Operating Partnership considers in making an evaluation of the collectibility of interest are: (i) the status of the loan, (ii) the value of the underlying collateral, (iii) the financial condition of the borrower and (iv) anticipated future events.

Reckson Construction Group, Inc. and Reckson Construction Group New York, Inc. use the percentage-of-completion method for recording amounts earned on its contracts. This method records amounts earned as revenue in the proportion that actual costs incurred to date bear to the estimate of total costs at contract completion.

Gain on sales of real estate are recorded when title is conveyed to the buyer, subject to the buyer's financial commitment being sufficient to provide economic substance to the sale and the Operating Partnership having no substantial continuing involvement with the buyer.

The Operating Partnership follows the guidance provided for under the Financing Accounting Standards Board ("FASB") Statement No. 66 "Accounting for Sales of Real Estate" ("Statement No. 66"), which provides guidance on sales contracts that are accompanied by agreements which require the seller to develop the property in the future. Under Statement No. 66 profit is recognized and allocated to the sale of the land and the later development or construction work on the basis of estimated costs of each activity; the same rate of profit is attributed to each activity. As a result, profits are recognized and reflected over the improvement period on the basis of costs incurred (including land) as a percentage of total costs estimated to be incurred. The Operating Partnership uses the percentage of completion method, as the future costs of development and profit were reliably estimated.

Real Estate

Land, buildings and improvements, furniture, fixtures and equipment are recorded at cost. Tenant improvements, which are included in buildings and improvements, are also stated at cost. Expenditures for ordinary maintenance and repairs are expensed to operations as incurred. Renovations and/or replacements, which improve or extend the life of the asset are capitalized and depreciated over their estimated useful lives.

Depreciation is computed utilizing the straight-line method over the estimated useful lives of ten to thirty years for buildings and improvements and five to ten years for furniture, fixtures and equipment. Tenant improvements are amortized on a straight-line basis over the term of the related leases.

The Operating Partnership is required to make subjective assessments as to the useful lives of its properties for purposes of determining the amount of depreciation to reflect on an annual basis with respect to those properties. These assessments have a direct impact on the Operating Partnership's net income. Should the Operating Partnership lengthen the expected useful life of a particular asset, it would be depreciated over more years, and result in less depreciation expense and higher annual net income.

Assessment by the Operating Partnership of certain other lease related costs must be made when the Operating Partnership has a reason to believe that the tenant will not be able to execute under the term of the lease as originally expected.

Long Lived Assets

On a periodic basis, management assesses whether there are any indicators that the value of the real estate properties may be impaired. A property's value is impaired only if management's estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property are less than the carrying value of the property. Such cash flows consider factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors. To the extent impairment has occurred, the loss will be measured as the excess of the carrying amount of the property over the fair value of the property.

The Operating Partnership is required to make subjective assessments as to whether there are impairments in the value of its real estate properties and other investments. These assessments have a direct impact on the Operating Partnership's net income, because recognizing an impairment results in an immediate negative adjustment to net income. In determining impairment, if any, the Operating Partnership has adopted FASB Statement No. 144, "Accounting for the Impairment or Disposal of Long Lived Assets".

OVERVIEW AND BACKGROUND

The Operating Partnership, which commenced operations on June 2, 1995, is engaged in the acquisition, financing, ownership, management, operation, leasing and development of commercial real estate properties, principally office and industrial / R&D properties, and also owns certain undeveloped land located in the New York tri-state area (the "Tri-State Area"). Reckson Associates Realty Corp. (the "Company"), is a self-administered and self-managed real estate investment trust ("REIT"), and serves as the sole general partner in the Operating Partnership.

As of March 31, 2003, the Operating Partnership owned and operated 75 office properties (inclusive of eleven office properties owned through joint ventures) comprising approximately 13.6 million square feet, 101 industrial properties comprising approximately 6.7 million square feet and two retail properties comprising approximately 20,000 square feet located in the Tri-State Area.

The Operating Partnership also owns approximately 313 acres of land in 12 separate parcels of which the Operating Partnership can develop approximately 3.1 million square feet of office space and approximately 400,000 square feet of industrial / R&D space. The Operating Partnership is currently evaluating alternative land uses for certain of the land holdings to realize the highest economic value. These alternatives may include rezoning certain land parcels from commercial to residential for potential disposition. As of March 31, 2003, the Operating Partnership had invested approximately $115.4 million in these development projects. Management has made subjective assessments as to the value and recoverability of these investments based on current and proposed development plans market comparable land values and alternative use values. The Operating Partnership has capitalized approximately $2.3 million and $3.3 million for the three months ended March 31, 2003 and 2002, respectively, related to real estate taxes, interest and other carrying costs related to these development projects.

During February 2003, the Operating Partnership, through Reckson Construction Group, Inc., entered into a contract with an affiliate of First Data Corp. to sell a 19.3-acre parcel of land located in Melville, New York and has been retained by the purchaser to develop a build-to-suit 195,000 square foot office building for aggregate consideration of approximately $47 million. This transaction closed on March 11, 2003 and development of the aforementioned office building has commenced. Net proceeds from the land sale of approximately $18.3 million were used to establish an escrow account with a qualified intermediary for a future exchange of real property pursuant to Section 1031 of the Code and is included in prepaid expenses and other assets on the accompanying balance sheet. The Code allows for the deferral of taxes related to the gain attributable to the sale of property if such qualified identified replacement property is identified within 45 days and acquired within 180 days from the initial sale. The Operating Partnership has identified certain properties and interests in properties for purposes of this exchange. In accordance with Statement No. 66, the Operating Partnership has estimated its pre-tax gain on this land sale and build-to-suit transaction to be approximately $16.6 million of which $5.8 million has been recognized in the current period and is included in investment and other income on the accompanying statement of income. Approximately $10.8 million has been deferred to future periods which will be recognized as the development progresses.

The Operating Partnership holds a $17.0 million interest in a note receivable which bears interest at 12% per annum and is secured by a minority partnership interest in Omni Partners, L.P., owner of the Omni, a 579,000 square foot Class A office property located in Uniondale, NY (the "Omni Note"). The Operating Partnership currently owns a 60% majority interest in Omni Partnership, L.P. and on March 14, 2007 may exercise an option to acquire the remaining 40% interest for a price based on 90% of the fair market value of the property. The Operating Partnership also holds three other notes receivable aggregating $36.5 million which bear interest at rates ranging from 10.5% to 12% per annum and are secured in part by a minority partner's preferred unit interest in the Operating Partnership, certain real property and a personal guarantee (the "Other Notes" and collectively with the Omni Note, the "Note Receivable Investments"). As of March 31, 2003, management has made subjective assessments as to the underlying security value on the Operating Partnership's Note Receivable Investments. These assessments indicated an excess of market value over carrying value related to the Operating Partnership's Note Receivable Investments. Based on these assessments, the Operating Partnership's management believes there is no impairment to the carrying value related to the Operating Partnership's Note Receivable Investments. The Operating Partnership also owns a 355,000 square foot office building in Orlando, Florida. This non-core real estate holding was acquired in May 1999 in connection with the Operating Partnership's initial New York City portfolio acquisition. This property is cross collateralized under a $102 million mortgage note along with one of the Operating Partnership's New York City buildings.

The Operating Partnership also owns a 60% non-controlling interest in a 172,000 square foot office building located at 520 White Plains Road in White Plains, New York (the "520JV"), which it manages. The remaining 40% interest is owned by JAH Realties, L.P. Jon Halpern, the CEO and a director of HQ Global Workplaces, is a partner in JAH Realties, L.P. As of March 31, 2003, the 520JV had total assets of $20.7 million, a mortgage note payable of $12.4 million and other liabilities of $217,000. The Operating Partnership's allocable share of the 520JV mortgage note payable is approximately $7.5 million. This mortgage note payable bears interest at 8.85% per annum and matures on September 1, 2005. In addition, the 520JV had total revenues of $979,000 and total expenses of $844,000 for the three months ended March 31, 2003. The operating agreement of the 520JV requires joint decisions from all members on all significant operating and capital decisions including sale of the property, refinancing of the property's mortgage debt, development and approval of leasing strategy and leasing of rentable space. As a result of the decision-making participation relative to the operations of the property, the Operating Partnership accounts for the 520JV under the equity method of accounting. The 520JV contributed approximately $106,000 to the Operating Partnership's equity in earnings of real estate joint ventures for the three months ended March 31, 2003. For the three months ended March 31, 2002, the Operating Partnership recorded its allocable share of a loss from the 520JV of approximately $72,000.

In connection with the IPO, the Operating Partnership was granted ten year options to acquire ten properties (the "Option Properties") which are either owned by certain Rechler family members who are also executive officers of the Company, or in which the Rechler family members own a non-controlling minority interest at a price based upon an agreed upon formula. In years prior to 2001, one Option Property was sold by the Rechler family members to a third party and four of the Option Properties were acquired by the Operating Partnership for an aggregate purchase price of approximately $35 million, which included the issuance of approximately 475,000 Units valued at approximately $8.8 million. Currently, certain Rechler family members retain their equity interests in the five remaining Option Properties (the "Remaining Option Properties") which were not contributed to the Company as part of the IPO. Such options provide the Operating Partnership the right to acquire fee interest in two of the Remaining Option Properties and the Rechler's minority interests in three Remaining Option Properties. During May 2003, the Independent Directors approved the exercise by the Company of its option to acquire the Rechler's fee interest in two of the Remaining Option Properties (225 Broad Hollow Road and 593 Acorn Street) and to provide customary tax protection from the sale or disposition of these properties by the Company for a five-year period. In addition, the Rechler family members agreed to extend the term of the three remaining unexercised options for an additional two years. Both of these properties are located on Long Island and aggregate approximately 228,000 square feet. Aggregate consideration to acquire the two Remaining Option Properties is approximately $22.1 million which includes the assumption of approximately $19.0 million of mortgage notes payable and the issuance of approximately 145,000 Units. The Operating Partnership anticipates that it will acquire these two Remaining Option Properties in July 2003 and prepay or retire approximately $6.1 million of the assumed debt.

As part of the Company's REIT structure it is provided management, leasing and construction related services through taxable REIT subsidiaries as defined by the Internal Revenue Code of 1986 as amended (the "Code"). These services are currently provided by the Service Companies in which, as of September 30, 2002, the Operating Partnership owned a 97% non-controlling interest. An entity which is substantially owned by certain Rechler family members who are also executive officers of the Company owned a 3% controlling interest in the Service Companies. In order to minimize the potential for corporate conflicts of interests, which became possible as a result of changes to the Code that permit REITs to own 100% of taxable REIT subsidiaries the Independent Directors of the Company approved the purchase by the Operating Partnership of the remaining 3% interest in the Service Companies. On October 1, 2002, the Operating Partnership acquired such 3% interests in the Service Companies for an aggregate purchase price of approximately $122,000. Such amount was less than the total amount of capital contributed by the Rechler family members. As a result of the acquisition of the remaining interests in the Service Companies, the Operating Partnership commenced consolidating the operations of the Service Companies. During the nine months ended March 31, 2003, Reckson Construction Group, Inc. billed approximately $125,100 of market rate services and Reckson Management Group, Inc. billed approximately $71,000 of market rate management fees to the Remaining Option Properties. In addition, for the three months ended March 31, 2003, Reckson Construction Group, Inc. performed market rate services, aggregating approximately $20,000, for a property in which certain executive officers of the Company maintain an equity interest.

Reckson Management Group, Inc. leases 43,713 square feet of office and storage space at a Remaining Option Property located at 225 Broad Hollow Road, Melville, New York for its corporate offices at an annual base rent of approximately $1.2 million. Reckson Management Group, Inc. also leases 10,722 square feet of warehouse space used for equipment, materials and inventory storage at a Remaining Option Property located at 593 Acorn Street, Deer Park, New York at an annual base rent of approximately $72,000.

A company affiliated with an Independent Director of the Company leases 15,566 square feet in a property owned by the Company at an annual base rent of approximately $431,500. Reckson Strategic Venture Partners, LLC ("RSVP") leases 5,144 square feet in one of the Operating Partnership's joint venture properties at an annual base rent of approximately $176,000.

During July 1998, the Operating Partnership formed Metropolitan Partners, LLC ("Metropolitan") for the purpose of acquiring Class A office properties in New York City. Currently the Operating Partnership owns, through Metropolitan, five Class A office properties aggregating approximately 3.5 million square feet.

During September 2000, the Operating Partnership formed a joint venture (the "Tri-State JV") with Teachers Insurance and Annuity Association ("TIAA") and contributed nine Class A suburban office properties aggregating approximately 1.5 million square feet to the Tri-State JV for a 51% majority ownership interest. TIAA contributed approximately $136 million for a 49% interest in the Tri-State JV which was then distributed to the Operating Partnership. The Operating Partnership is responsible for managing the day-to-day operations and business affairs of the Tri-State JV and has substantial rights in making decisions affecting the properties such as leasing, marketing and financing. The minority member has certain rights primarily intended to protect its investment. For purposes of its financial statements the Operating Partnership consolidates the Tri-State JV.

On December 21, 2001, the Operating Partnership formed a joint venture (the "919JV") with the New York State Teachers' Retirement System ("NYSTRS") whereby NYSTRS acquired a 49% indirect interest in the property located at 919 Third Avenue, New York, NY for $220.5 million which included $122.1 million of its proportionate share of secured mortgage debt and approximately $98.4 million of cash which was then distributed to the Operating Partnership. The Operating Partnership is responsible for managing the day-to-day operations and business affairs of the 919JV and has substantial rights in making decisions affecting the property such as developing a budget, leasing and marketing. The minority member has certain rights primarily intended to protect its investment. For purposes of its financial statements the Operating Partnership consolidates the 919JV.

The total market capitalization of the Operating Partnership at March 31, 2003 was approximately $2.9 billion. The Operating Partnership's total market capitalization is calculated based on the sum of (i) the value of the Operating Partnership's Class A common units and Class B common units (which, for this purpose, is assumed to be the same per unit as the market value of a share of the Company's Class A common stock and Class B common stock), (ii) the liquidation preference values of the Operating Partnership's preferred units and (iii) the approximately $1.4 billion (including its share of joint venture debt and net of minority partners' interests share of joint venture debt) of debt outstanding at March 31, 2003. As a result, the Operating Partnership's total debt to total market capitalization ratio at March 31, 2003 equaled approximately 48.0%.

During 1997, the Company formed FrontLine Capital Group, formerly Reckson Service Industries, Inc. ("FrontLine") and RSVP. RSVP is a real estate venture capital fund which invests primarily in real estate and real estate operating companies outside the Company's core office and industrial / R&D focus and whose common equity is held indirectly by FrontLine. In connection with the formation and spin-off of FrontLine, the Operating Partnership established an unsecured credit facility with FrontLine (the "FrontLine Facility") in the amount of $100 million for FrontLine to use in its investment activities, operations and other general corporate purposes. The Company has advanced approximately $93.4 million under the FrontLine Facility. The Operating Partnership also approved the funding of investments of up to $100 million relating to RSVP (the "RSVP Commitment"), through RSVP-controlled joint ventures (for REIT-qualified investments) or advances made to FrontLine under an unsecured loan facility (the

"RSVP Facility") having terms similar to the FrontLine Facility (advances made under the RSVP Facility and the FrontLine Facility hereafter, the "FrontLine Loans"). During March 2001, the Company increased the RSVP Commitment to $110 million and as of March 31, 2003 approximately $109.1 million had been funded through the RSVP Commitment, of which $59.8 million represents investments by the Company in RSVP-controlled (REIT-qualified) joint ventures and $49.3 million represents loans made to FrontLine under the RSVP Facility. As of March 31, 2003 interest accrued (net of reserves) under the FrontLine Facility and the RSVP Facility was approximately $19.6 million. RSVP retained the services of two managing directors to manage RSVP's day-to-day operations. Prior to the spin off of FrontLine, the Company guaranteed certain salary provisions of their employment agreements with RSVP Holdings, LLC, RSVP's common member. The term of these employment agreements is seven years commencing March 5, 1998 provided however, the term may be earlier terminated after five years upon certain circumstances. The salary for each managing director is $1 million in the first five years and $1.6 million in years six and seven.

At June 30, 2001, the Company assessed the recoverability of the FrontLine Loans and reserved approximately $3.5 million of the interest accrued during the three-month period then ended. In addition, the Company formed a committee of its Board of Directors, comprised solely of independent directors, to consider any actions to be taken by the Company in connection with the FrontLine Loans and its investments in joint ventures with RSVP. During the third quarter of 2001, the Company noted a significant deterioration in FrontLine's operations and financial condition and, based on its assessment of value and recoverability and considering the findings and recommendations of the committee and its financial advisor, the Company recorded a $163 million valuation reserve charge, inclusive of anticipated costs, in its consolidated statements of operations relating to its investments in the FrontLine Loans and joint ventures with RSVP. The Company has discontinued the accrual of interest income with respect to the FrontLine Loans. The Company has also reserved against its share of GAAP equity in earnings from the RSVP controlled joint ventures funded through the RSVP Commitment until such income is realized through cash distributions.

At December 31, 2001, the Company, pursuant to Section 166 of the Code charged off for tax purposes $70 million of the aforementioned reserve directly related to the FrontLine Facility, including accrued interest. On February 14, 2002, the Company charged off for tax purposes an additional $38 million of the reserve directly related to the FrontLine Facility, including accrued interest and $47 million of the reserve directly related to the RSVP Facility, including accrued interest.

FrontLine is in default under the FrontLine Loans from the Operating Partnership and on June 12, 2002, filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code.

As a result of the foregoing, the net carrying value of the Company's investments in the FrontLine Loans and joint venture investments with RSVP, inclusive of the Company's share of previously accrued GAAP equity in earnings on those investments, is approximately $65 million which was reassessed with no change by management as of March 31, 2003. Such amount has been reflected in investments in service companies and affiliate loans and joint ventures on the Company's consolidated balance sheet.

On or about April 29, 2003, RSVP entered into agreements regarding the restructuring of its capital structure and arrangements with its management. In connection with such restructuring, RSVP transferred $41 million in cash, and the assets that comprised its parking investments valued at approximately $28.5 million to the preferred equity holders in RSVP. In addition, RSVP agreed to redeem the preferred equity holders' interests for an additional $95.8 million in cash, subject to a financing contingency. RSVP also agreed to restructure its relationship with its current managing directors, conditioned upon the redemption of the preferred equity interests, whereby a management company formed by the managing directors will be retained to manage RSVP. RSVP will enter into a management agreement that will provide for an annual base management fee, and disposition fees equal to 2% of the net proceeds received by RSVP on asset sales. (The base fee and disposition fees together being subject to a maximum amount over the term of the agreement, of $7.5 million.) In addition, the managing directors will retain a subordinate residual interest in RSVP's assets. The management agreement will have a three-year term, subject to early termination in the event of the disposition of all of the assets of RSVP. As a result of this new arrangement, the employment contracts of the managing directors will be terminated. There can be no assurance that any of the foregoing pending transactions will be completed. In the event that the redemption of the preferred does not close, all parties rights shall remain unaffected, including the rights relating to a dispute between common and preferred members over certain provisions of the RSVP operating agreement.

Both the FrontLine Facility and the RSVP Facility terminate on June 15, 2003, are unsecured and advances thereunder are recourse obligations of FrontLine. Notwithstanding the valuation reserve, under the terms of the credit facilities, interest accrues on the FrontLine Loans at a rate equal to the greater of (a) the prime rate plus two percent and (b) 12% per annum, with the rate on amounts that are outstanding for more than one year increasing annually at a rate of four percent of the prior year's rate. In March 2001, the credit facilities were amended to provide that (i) interest is payable only at maturity and (ii) the Company may transfer all or any portion of its rights or obligations under the credit facilities to its affiliates. The Company requested these changes as a result of changes in REIT tax laws. As a result of FrontLine's default under the FrontLine Loans, interest on borrowings thereunder accrue at default rates ranging between 13% and 14.5% per annum.

Scott H. Rechler, who serves as Co-Chief Executive Officer and a director of the Company, serves as CEO and Chairman of the Board of Directors of FrontLine and is its sole board member. Scott H. Rechler also serves as a member of the management committee of RSVP.

RESULTS OF OPERATIONS

Three months ended March 31, 2003 as compared to the three months ended March 31, 2002.

Property operating revenues which include base rents and tenant escalations and reimbursements ("Property Operating Revenues") increased by approximately $1.7 million for the three months ended March 31, 2003 as compared to the 2002 period. The change in Property Operating Revenues is attributable to increases in rental rates in our "same store" properties amounting to approximately $700,000 and $2.2 million attributable to lease up of newly developed and redeveloped properties. These increases were offset by approximately $1.2 million in bad debt expense related to tenant receivables and deferred rents receivable.

Investment and other income increased by $5.3 million. This increase is primarily attributable to the gain recognized on the First Data land sale and build-to-suit transaction of approximately $5.8 million. This increase in investment and other income was offset by a loss of approximately $817,000 from the operations of Reckson Construction Group, Inc.

Property operating expenses, real estate taxes and ground rents ("Property Expenses") increased by $5.9 million or 14.2% for the three months ended March 31, 2003 as compared to the 2002 period. This increase includes a $4.3 million increase in property operating expenses and a $1.6 million increase in real estate taxes and are primarily attributable to our "same-store" properties. The increase in property operating expenses includes a $2.2 million increase in utilities and snow removal costs which is attributable to the severe winter weather conditions encountered in the Northeast. Also included in the $4.3 million of property operating expense increase is $1.3 million attributable to increases in insurance costs. The insurance cost increase is primarily attributable to the added cost of terrorism insurance for our properties and a significant increase in our liability insurance costs. The increase in insurance costs were caused by implications of the events which occurred on September 11, 2001. The increase in real estate taxes are attributable to the significant increase levied by certain municipalities, particularly in New York City and Nassau County, New York which are experiencing severe fiscal budget issues.

Gross Operating Margins (defined as Property Operating Revenues less Property Expenses, taken as a percentage of Property Operating Revenues) for the three months ended March 31, 2003 and 2002 were 61.2% and 65.6%, respectively. The decrease in Gross Operating Margins is primarily attributable to decreases in average occupancy of the portfolio and also as a result of increased Property Expenses specifically relating to insurance costs, real estate taxes and utilities and snow removal costs.

Marketing, general and administrative expenses increased by approximately $1.2 million or 16.4% for the three months ended March 31, 2003 as compared to the 2002 period. The increase is in part attributable to compensation costs associated with the Company's long term incentive programs as well as an increase in overall compensation costs which commenced in January 2003. In addition, during the three months ended March 31, 2003, the Company incurred additional legal and professional fees resulting from increased Board of Directors activities to comply with the provisions of the Sarbanes Oxley legislation. Marketing, general and administrative expenses, as a percentage of total revenues were, 6.3% for the three months ended March 31, 2003 as compared to 5.7% for the 2002 period. The Operating Partnership capitalized approximately $1.1 million of marketing, general and administrative expenses for the three months ended March 31, 2003 as compared to $1.3 million for the 2002 period. These costs relate to leasing, construction and development activities, which are performed by the Operating Partnership and its subsidiaries.

Interest expense increased by approximately $1.9 million for the three months ended March 31, 2003 as compared to the 2002 period. The increase includes $750,000 of interest on the Operating Partnership's $50 million, five-year senior unsecured notes issued in June 2002. The increase is also affected by the reduction in capitalized interest expense of $753,000 attributable to a decrease in the level of development projects. In addition, the increase includes approximately $533,000 which is attributable to an increase in the weighted average balance outstanding on the Operating Partnership's unsecured credit facility. The weighted average balance outstanding was $285.6 million for the three months ended March 31, 2003 as compared to $205.5 million for the three months ended March 31, 2002. These increases were offset by a decrease of approximately $210,000 in mortgage note payable interest expense.

Liquidity and Capital Resources

Historically, rental revenue has been the principal source of funds to pay operating expenses, debt service and non-incremental capital expenditures, excluding incremental capital expenditures of the Operating Partnership. The Operating Partnership expects to meet its short-term liquidity requirements generally through its net cash provided by operating activities along with its unsecured credit facility described below. The credit facility contains several financial covenants with which the Operating Partnership must be in compliance in order to borrow funds thereunder. During certain quarterly periods, the Operating Partnership may incur significant leasing costs as a result of increased market demands from tenants and high levels of leasing transactions that result from the re-tenanting of scheduled expirations of early terminations of leases. As a result, during these periods the Operating Partnership's cash flow from operating activities may not be sufficient to pay 100% of the quarterly distributions due on its common units. To meet the short-term funding requirements relating to these leasing costs, the Operating Partnership may use proceeds of property sales or borrowings under its credit facility. The Operating Partnership expects to meet certain of its financing requirements through long-term secured and unsecured borrowings and the issuance of debt and equity securities of the Operating Partnership. There can be no assurance that there will be adequate demand for the Operating Partnership's equity at the time or at the price in which the Operating Partnership desires to raise capital through the sale of additional equity. In addition, when valuations for commercial real estate properties are high, the Operating Partnership will seek to sell certain land inventory to realize value and profit created. The Operating Partnership will then seek opportunities to reinvest the capital realized from these dispositions back into value-added assets in the Operating Partnership's core Tri-State Area markets, as well as pursue its equity repurchase program. The Operating Partnership will refinance existing mortgage indebtedness senior unsecured notes or indebtedness under its credit facility at maturity or retire such debt through the issuance of additional debt securities or additional equity securities. The Operating Partnership anticipates that the current balance of cash and cash equivalents and cash flows from operating activities, together with cash available from borrowings, equity offerings and proceeds from sales of land, will be adequate to meet the capital and liquidity requirements of the Operating Partnership in both the short and long-term.

As a result of current economic conditions, certain tenants have either not renewed their leases upon expiration or have paid the Operating Partnership to terminate their leases. In addition, a number of U.S. companies have filed for protection under federal bankruptcy laws. Certain of these companies are tenants of the Operating Partnership. The Operating Partnership is subject to the risk that other companies that are tenants of the Operating Partnership may file for bankruptcy protection. This may have an adverse impact on the financial results and condition of the Operating Partnership. In addition, vacancy rates in our markets have been trending higher and in some instances our asking rents in our markets have been trending lower and landlords are being required to grant greater concessions such as free rent and tenant improvements. Additionally, the Operating Partnership carries comprehensive liability, fire, extended coverage and rental loss insurance on all of its properties. Five of the Operating Partnership's properties are located in New York City. As a result of the events of September 11, 2001, insurance companies are limiting coverage for acts of terrorism in all risk policies. In November 2002, the Terrorism Risk Insurance Act of 2002 was signed into law which, among other things, requires insurance companies to offer coverage for losses resulting from defined "acts of terrorism" through 2004. The Operating Partnership's current insurance coverage provides for full replacement cost of its properties, except that the coverage for acts of terrorism on its properties covers losses in an amount up to $300 million per occurrence. As a result, the Operating Partnership may suffer losses from acts of terrorism that are not covered by insurance. In addition, the mortgage loans which are secured by certain of the Operating Partnership's properties contain customary covenants, including covenants that require the Operating Partnership to maintain property insurance in an amount equal to replacement cost of the properties. There can be no assurance that the lenders under these mortgage loans will not take the position that exclusions from the Operating Partnership's coverage for losses due to terrorist acts is a breach of a covenant which, if uncured, could allow the lenders to declare an event of default and accelerate repayment of the mortgage loans. Other outstanding debt instruments contain standard cross default provisions that would be triggered in the event of an acceleration of the mortgage loans. This matter could adversely affect the Operating Partnership's financial results, its ability to finance and / or refinance its properties or to buy or sell properties.

The terrorist attacks of September 11, 2001, in New York City may adversely effect the value of the Operating Partnership's New York City properties and its ability to generate cash flow. There may be a decrease in demand in metropolitan areas that are considered at risk for future terrorist attacks, and this decrease may reduce the Operating Partnership's revenues from property rentals.

In order to qualify as a REIT for federal income tax purposes, the Company is required to make distributions to its stockholders of at least 90% of REIT taxable income. As a result, it is anticipated that the Operating Partnership will make distributions in amounts sufficient to meet this requirement. The Operating Partnership expects to use its cash flow from operating activities for distributions to unit holders and for payment of recurring, non-incremental revenue-generating expenditures. The Operating Partnership intends to invest amounts accumulated for distribution in short-term investments.

The Operating Partnership currently has a three year $500 million unsecured revolving credit facility (the "Credit Facility") from JPMorgan Chase Bank, as administrative agent, Wells Fargo Bank, National Association, as syndication agent, and Citicorp North America, Inc. and Wachovia Bank, National Association, as co-documentation agents. The Credit Facility matures in December 2005, contains options for a one year extension subject to a fee of 25 basis points and, upon receiving additional lender commitments, increasing the maximum revolving credit amount to $750 million. In addition, borrowings under the Credit Facility are currently priced off LIBOR plus 90 basis points and the Credit Facility carries a facility fee of 20 basis points per annum. In the event of a change in the Operating Partnership's unsecured credit rating the interest rates and facility fee are subject to change. The outstanding borrowings under the Credit Facility were $302.0 million at March 31, 2003.

The Operating Partnership utilizes the Credit Facility primarily to finance real estate investments, fund its real estate development activities and for working capital purposes. At March 31, 2003, the Operating Partnership had availability under the Credit Facility to borrow approximately an additional $198.0 million, subject to compliance with certain financial covenants.

The Operating Partnership continues to seek opportunities to acquire real estate assets in its markets. The Operating Partnership has historically sought to acquire properties where it could use its real estate expertise to create additional value subsequent to acquisition. As a result of increased market values for the Operating Partnership's commercial real estate assets the Operating Partnership has sold certain non-core assets or interests in assets where significant value has been created. During 2000, 2001 and 2002, the Operating Partnership has sold assets or interests in assets with aggregate sales prices of approximately $499.8 million. The Operating Partnership has used the proceeds from these sales primarily to pay down borrowings under the Credit Facility, repurchase units of general partnership interest as a result of the Company's common stock buy-back program and for general operating purposes. In addition, during the quarterly period ended March 31, 2003, the Operating Partnership through Reckson Construction Group, Inc. entered into a sale of a 19.3 acre land parcel and build-to-suit 195,000 square foot office building for aggregate consideration of approximately $47.0 million.

The following table sets forth the Operating Partnership's invested capital (before valuation reserves) in RSVP controlled (REIT-qualified) joint ventures and amounts which were advanced under the RSVP Commitment to FrontLine, for its investment in RSVP controlled investments (in thousands):

	RSVP controlled joint ventures	Amounts advanced	Total
Privatization	$ 21,480	$ 3,520	$ 25,000
Student Housing	18,086	3,935	22,021
Medical Offices	20,185	--	20,185
Parking	--	9,091	9,091
Resorts	--	8,057	8,057
Net leased retail	--	3,180	3,180
Other assets and overhead	--	21,598	21,598
	$ 59,751	$ 49,381	$109,132

Included in these investments is approximately $15.9 million of cash that has been contributed to the respective RSVP controlled joint ventures or advanced under the RSVP Commitment to FrontLine and is being held, along with cash from the preferred investors.

In connection with the proposed restructuring of RSVP, the Company and the second largest creditor of FrontLine, have agreed to adjust certain allocations to account for the overhead expenses incurred by RSVP. Such adjustment is not expected to have a material effect on the Company's potential recovery as a creditor of FrontLine.

On March 31, 2003, the Operating Partnership had issued and outstanding 9,915,313 Class B common units, all of which are held by the Company. The distribution on the Class B units is subject to adjustment annually based on a formula which measures increases or decreases in the Company's Funds From Operations, as defined, over a base year. The Class B common units currently receive an annual distribution of $2.5884 per unit.

The Class B common units are exchangeable at any time, at the option of the holder, into an equal number of Class A common units subject to customary antidilution adjustments. The Operating Partnership, at its option, may redeem any or all of the Class B common units in exchange for an equal number of Class A common units at any time following November 23, 2003 at which time the Operating Partnership anticipates that it will exercise its option to redeem all of its Class B common units outstanding.

The Board of Directors of the Company has authorized the purchase of up to five million shares of the Company's Class A common stock and / or its Class B common stock. Transactions conducted on the New York Stock Exchange will be effected in accordance with the safe harbor provisions of the Securities Exchange Act of 1934 and may be terminated by the Company at any time. During the three months ended March 31, 2003, under this buy-back program, the Operating Partnership purchased 252,000 Class A common units at an average price of $18.01 per Class A unit for an aggregate purchase price of approximately $4.5 million.

The following table sets forth the activity under the current buy-back program (dollars in thousands except per unit data):

	UNITS PURCHASED	AVERAGE PRICE PER UNIT	AGGREGATE PURCHASE PRICE
Current program:			
Class A common	2,950,400	$ 21.30	$ 62,830
Class B Common	368,200	$ 22.90	8,432
	3,318,600		$ 71,262

The Board of Directors of the Company has formed a pricing committee to consider purchases of up to $75 million of the Company's outstanding preferred securities.

On March 31, 2003, the Company had 8,834,500 shares of its Class A preferred stock issued and outstanding. During the fourth quarter of 2002, the Company purchased and retired 357,500 shares of its Class A preferred stock at $22.29 per share for approximately $8.0 million. As a result, the Operating Partnership purchased and retired an equal number of preferred units of general partnership interest from the Company and reduced annual preferred distributions by approximately $682,000.

The Operating Partnership's indebtedness at March 31, 2003 totaled approximately $1.4 billion (including its share of joint venture debt and net of the minority partners' interests share of joint venture debt) and was comprised of $302.0 million outstanding under the Credit Facility, approximately $499.3 million of senior unsecured notes and approximately $602.5 million of mortgage indebtedness. Based on the Operating Partnership's total market capitalization of approximately $2.9 billion at March 31, 2003 (calculated based on the sum of (i) the value of the Operating Partnership's Class A common units and Class B common units (which, for this purpose, is assumed to be the same per unit as the market value of a share of the Company's Class A common stock and Class B common stock), (ii) the liquidation preference value of the Operating Partnership's preferred units and (iii) the $1.4 billion of debt), the Operating Partnership's debt represented approximately 48.0% of its total market capitalization.

HQ Global Workplaces, Inc. ("HQ"), one of the largest providers of flexible officing solutions in the world and which is controlled by FrontLine, currently operates eight (formerly eleven) executive office centers in the Operating Partnership's properties, two of which are held through joint ventures. The leases under which these office centers operate expire between 2008 and 2011, encompass approximately 171,000 square feet and have current contractual annual base rents of approximately $4.2 million. On March 13, 2002, as a result of experiencing financial difficulties, HQ voluntarily filed a petition for relief under Chapter 11 of the U.S. Bankruptcy Code. As of June 30, 2002, HQ's leases with the Operating Partnership were in default. Further, the Bankruptcy Court has granted HQ's petition to reject three of its leases with the Operating Partnership, one of which is held through the 919JV. The two rejected leases, held through wholly owned entities, aggregated approximately 23,700 square feet and were to provide for contractual base rents of approximately $600,000 for the 2003 calendar year. The third rejected lease held through the 919JV aggregated approximately 31,000 square feet and provided for contractual base rents of approximately $1.9 million for the 2003 calendar year. Pursuant to the bankruptcy filing, HQ has been paying current rental charges under its leases with the Operating Partnership, other than under the three rejected leases. The Operating Partnership is in negotiation to restructure three of the leases and leave the terms of the remaining five leases unchanged. All negotiations with HQ are conducted by a committee designated by the Board and chaired by an independent director. There can be no assurance as to whether any deal will be consummated with HQ or if HQ will affirm or reject any or all of its remaining leases with the Operating Partnership. As a result of the foregoing, the Operating Partnership has currently established reserves of approximately $360,000 (net of minority partners' interests and including the Operating Partnership's share of unconsolidated joint venture interest), or 50%, of the amounts due from HQ as of March 31, 2003. Scott H. Rechler serves as the non-Executive Chairman of the Board and Jon Halpern is the Chief Executive Officer and a director of HQ.

WorldCom/MCI and its affiliates ("WorldCom"), a telecommunications company, which leased approximately 527,000 square feet in thirteen of the Operating Partnership's properties located throughout the Tri-State Area voluntarily filed a petition for relief under Chapter 11 of the U.S. Bankruptcy Code on July 21, 2002. During February 2003, the Bankruptcy Court granted WorldCom's petition to reject three of its leases with the Operating Partnership. The three rejected leases aggregated approximately 192,000 square feet and provided for contractual base rents of approximately $4.8 million for the 2003 calendar year. All of WorldCom's leases are current on base rental charges through May 31, 2003, other than under the three rejected leases and the Operating Partnership currently holds approximately $300,000 in security deposits relating to the non-rejected leases. The Operating Partnership is currently in negotiations to restructure the remaining WorldCom leases. There can be no assurance as to whether any deal will be consummated with WorldCom or if WorldCom will affirm or reject any or all of its remaining leases with the Operating Partnership.

As of March 31, 2003, WorldCom occupied approximately 335,000 square feet of office space with aggregate annual base rental revenues of approximately $6.7 million, or 1.8% of the Operating Partnership's total 2003 annualized rental revenue, making it the Operating Partnership's third largest tenant based on base rental revenue earned on a consolidated basis.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

The following table sets forth the Operating Partnership's significant debt obligations by scheduled principal cash flow payments and maturity date and its commercial commitments by scheduled maturity at March 31, 2003 (in thousands):

	MATURITY DATE						
	2003	2004	2005	2006	2007	THEREAFTER	TOTAL
Mortgage notes payable (1)	$ 9,419	$ 13,169	$ 14,167	$ 13,785	$ 11,305	$ 117,389	$ 179,234
Mortgage notes payable (2) (3)	—	2,616	18,553	129,920	60,539	346,269	557,897
Senior unsecured notes	—	100,000	—	—	200,000	200,000	500,000
Unsecured credit facility	—	—	302,000	—	—	—	302,000
Land lease obligations	2,031	2,811	2,814	2,795	2,735	43,276	56,462
Operating leases	1,028	1,313	1,359	1,407	1,455	683	7,245
Air rights lease obligations	278	379					

~~379 379~~
~~379 4,280~~
~~6,074~~

~~$ 12,756 $~~
~~120,288 $~~
~~339,272 $~~
~~148,286 $~~
~~276,413 $~~
~~711,897~~
~~$1,608,912~~

(1) Scheduled principal amortization payments
(2) Principal payments due at maturity
(3) In addition, the Operating Partnership has a 60% interest in an unconsolidated joint venture property. The Operating Partnership's pro rata share of the mortgage debt at March 31, 2003 is approximately $7.5 million. This mortgage note bears interest at 8.85% per annum and matures on September 1, 2005.

Certain of the mortgage notes payable are guaranteed by certain limited partners in the Operating Partnership and/or the Company. In addition, consistent with customary practices in non-recourse lending, certain non-recourse mortgages may be recourse to the Company under certain limited circumstances including environmental issues and breaches of material representations.

In addition, at March 31, 2003, the Operating Partnership had approximately $1.0 million in outstanding undrawn standby letters of credit issued under the Credit Facility. In addition, approximately $44.8 million, or 6.1%, of the Operating Partnership's mortgage debt is recourse to the Operating Partnership.

Other Matters

Ten of the Operating Partnership's office properties which were acquired by the issuance of Units are subject to agreements limiting the Operating Partnership's ability to transfer them prior to agreed upon dates without the consent of the limited partner who transferred the respective property to the Operating Partnership. In the event the Operating Partnership transfers any of these properties prior to the expiration of these limitations, the Operating Partnership may be required to make a payment relating to taxes incurred by the limited partner. The limitations on five of the properties expire during the remainder of 2003 with the limitations on the remaining properties expire in 2013.

Eleven of the Operating Partnership's office properties are held in joint ventures which contain certain limitations on transfer. These limitations include requiring the consent of the joint venture partner to transfer a property prior to various specified dates ranging from 2003 to 2005, rights of first offer, and buy / sell provisions.

The Company had historically structured long term incentive programs ("LTIP") using restricted stock and stock loans. In July 2002, as a result of certain provisions of the Sarbanes Oxley legislation, the Company discontinued the use of stock loans in its LTIP. In connection with LTIP grants made prior to the enactment of the Sarbanes Oxley legislation the Company made stock loans to certain executive and senior officers to purchase 1,372,393 shares of its Class A common stock at market prices ranging from $18.44 per share to $27.13 per share. The stock loans were set to bear interest at the mid-term Applicable Federal Rate and were secured by the shares purchased. Such stock loans (including accrued interest) vest and are ratably forgiven each year on the anniversary of the grant date based upon vesting periods ranging from four to ten years based on continued service and in part on attaining certain annual performance measures. These stock loans had an initial aggregate weighted average vesting period of approximately nine years. Approximately $1.1 million of compensation expense was recorded for the three month periods ended March 31, 2003 and 2002 related to these LTIP. Such amount has been included in marketing, general and administrative expenses on the accompanying consolidated statements of income.

The outstanding stock loan balances due from the Company's executive and senior officers aggregated approximately $14.5 million and $17.0 million at March 31, 2003 and December 31, 2002, respectively, and have been included as a reduction of additional paid in capital on the accompanying consolidated balance sheets. Other outstanding loans to the Company's executive and senior officers amounting to approximately $1.0 million at March 31, 2003 and December 31, 2002, related to life insurance contracts and approximately $2.1 million and $1.0 million at March 31, 2003 and December 31, 2002, respectively, primarily related to tax payment advances on a stock compensation awards made to certain of the Company's non-executive officers.

In November 2002 and March 2003 an award of rights was granted to certain executive officers of the Company (the "2002 Rights" and "2003 Rights", respectively and collectively, the "Rights"). Each Right represents the right to receive, upon vesting, one share of Class A common stock if shares are then available for grant under one of the Company's stock option plans or, if shares are not so available, an amount of cash equivalent to the value of such stock on the vesting date. The 2002 Rights will vest in four equal annual installments beginning on November 14, 2003 (and shall be fully vested on November 14, 2006). The 2003 Rights will be earned as of March 13, 2005 and will vest in three equal annual installments beginning on March 13, 2005 (and shall be fully vested on March 13, 2007). Dividends on the shares will be held by the Company until such shares become vested, and will be distributed thereafter to the applicable officer. The 2002 Rights also entitle the holder thereof to cash payments in respect of taxes payable by the holder resulting from the Rights. The 2002 Rights aggregate 190,524 shares of the Company's Class A common stock and the 2003 Rights aggregate 60,760 shares of Class A common stock. In addition, during the three months ended March 31, 2003, the Operating Partnership recorded approximately $216,000 of compensation expense related to the Rights. Such amount has been included in marketing, general and administrative expenses on the accompanying consolidated statement of income.

In March 2003, the Company established a new LTIP for its executive and senior officers. The four-year plan has a core award which provides for annual stock based compensation based upon continued service and in part based on attaining certain annual performance measures. The plan also has a special outperformance award which provides for compensation to be earned at the end of a four year period if the Company attains certain four year cumulative performance measures. Amounts earned under the special outperformance award may be paid in cash or stock at the discretion of the Compensation Committee of the Board. Performance measures are based on total shareholder returns on a relative and absolute basis. On March 13, 2003, the Company made available 1,384,102 shares of its Class A common stock under its existing stock option plans in connection with the core award of this LTIP for twelve of its executive and senior officers. In addition, with respect to the core award of this LTIP, the Operating Partnership recorded approximately $268,000 of compensation expense for the period March 13, 2003 through March 31, 2003. Such amount is included in marketing, general and administrative expenses on the accompanying consolidated statement of income. Further, no provision will be made for the special outperformance award of this LTIP until such time as achieving the requisite performance measures is determined to be probable.

Under various Federal, state and local laws, ordinances and regulations, an owner of real estate is liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. These laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability therefore as to any property is generally not limited under such enactments and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate such substances, may adversely affect the owner's ability to sell or rent such property or to borrow using such property as collateral. Persons who arrange for the disposal or treatment of hazardous or toxic substances may also be liable for the costs of removal or remediation of such substances at a disposal or treatment facility, whether or not such facility is owned or operated by such person. Certain environmental laws govern the removal, encapsulation or disturbance of asbestos-containing materials ("ACMs") when such materials are in poor condition, or in the event of renovation or demolition. Such laws impose liability for release of ACMs into the air and third parties may seek recovery from owners or operators of real properties for personal injury associated with ACMs. In connection with the ownership (direct or indirect), operation, management and development of real properties, the Company may be considered an owner or operator of such properties or as having arranged for the disposal or treatment of hazardous or toxic substances and, therefore, potentially liable for removal or remediation costs, as well as certain other related costs, including governmental fines and injuries to persons and property.

All of the Company's office and industrial / R&D properties have been subjected to a Phase I or similar environmental audit after April 1, 1994 (which involved general inspections without soil sampling, ground water analysis or radon testing and, for the Company's properties constructed in 1978 or earlier, survey inspections to ascertain the existence of ACMs were conducted) completed by independent environmental consultant companies (except for 35 Pinelawn Road which was originally developed by Reckson and subjected to a Phase 1 in April 1992). These environmental audits have not revealed any environmental liability that would have a material adverse effect on the Company's business.

Funds from Operations

Management believes that funds from operations ("FFO") is a widely recognized and appropriate measure of performance of an operating partnership whose general partner is an equity REIT. Although FFO is a non-GAAP financial measure, the Operating Partnership believes it provides useful information to the Company's shareholders, potential investors and management. The Operating Partnership computes FFO in accordance with standards established by the National

Association of Real Estate Investment Trusts ("NAREIT"). FFO is defined by NAREIT as net income or loss, excluding gains or losses from debt restructurings and sales of depreciable properties, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO does not represent cash generated from operating activities in accordance with GAAP and is not indicative of cash available to fund cash needs. FFO should not be considered as an alternative to net income as an indicator of the Operating Partnership's operating performance or as an alternative to cash flow as a measure of liquidity. FFO for the three months ended March 31, 2003 includes gain from the sale of land in the amount of $5.5 million.

Since all companies and analysts do not calculate FFO in a similar fashion, the Operating Partnership's calculation of FFO presented herein may not be comparable to similarly titled measures as reported by other companies.

The following table presents the Operating Partnership's FFO calculation (in thousands):

	THREE MONTHS ENDED MARCH 31,	
	2003	2002
Net income available to common unit holders	$ 9,659	$17,916
Adjustments for Funds From Operations:		
Add:		
Real estate depreciation and amortization	31,327	25,321
Minority partners' interests in consolidated partnerships	4,690	5,120
Less:		
Gain on sales of depreciable real estate assets		537
Amounts distributable to minority partners in consolidated partnerships	6,807	6,563
Funds From Operations	$38,869	$41,257
Weighted average units outstanding	65,392	67,804

INFLATION

The office leases generally provide for fixed base rent increases or indexed escalations. In addition, the office leases provide for separate escalations of real estate taxes, operating expenses and electric costs over a base amount. The industrial / R&D leases also generally provide for fixed base rent increases, direct pass through of certain operating expenses and separate real estate tax escalations over a base amount. The Operating Partnership believes that inflationary increases in expenses will be offset by contractual rent increases and expense escalations described above. As a result of the impact of the events of September 11, 2001, the Operating Partnership has realized increased insurance costs, particularly relating to property and terrorism insurance, and security costs. The Operating Partnership has included these costs as part of its escalatable expenses. The Operating Partnership has billed these escalatable expense items to its tenants consistent with the terms of the underlying leases and believes they are collectible. To the extent the Operating Partnership's properties contain vacant space, the Operating Partnership will bear such inflationary increases in expenses.

The Credit Facility bears interest at a variable rate, which will be influenced by changes in short-term interest rates, and is sensitive to inflation.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The primary market risk facing the Operating Partnership is interest rate risk on its long-term debt, mortgage notes and notes receivable. The Operating Partnership will, when advantageous, hedge its interest rate risk using financial instruments. The Operating Partnership is not subject to foreign currency risk.

The Operating Partnership manages its exposure to interest rate risk on its variable rate indebtedness by borrowing on a short-term basis under its Credit Facility until such time as it is able to retire the short-term variable rate debt with either a long-term fixed rate debt offering, long term mortgage debt, general partner contributions or through sales or partial sales of assets.

The Operating Partnership will recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges will be adjusted to fair value through income. 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 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 will be immediately recognized in earnings. As of March 31, 2003, the Operating Partnership had no derivatives outstanding.

The fair market value ("FMV") of the Operating Partnership's long term debt, mortgage notes and notes receivable is estimated based on discounting future cash flows at interest rates that management believes reflects the risks associated with long term debt, mortgage notes and notes receivable of similar risk and duration.

The following table sets forth the Operating Partnership's long term debt obligations by scheduled principal cash flow payments and maturity date, weighted average interest rates and estimated FMV at March 31, 2003 (dollars in thousands):

	For The Year Ended December 31,							
	2003	2004	2005	2006	2007	Thereafter	Total(1)	FMV
Long term debt:								
Fixed rate...........	$ 9,419	$115,785	$ 32,720	$143,705	$271,844	$663,658	$1,237,131	$1,258,000
Weighted average interest rate.....	7.50%	7.95%	6.92%	7.38%	7.80%	7.14%	7.26%	
Variable rate........	$ --	$ --	$302,000	$ --	$ --	$ --	$ 302,000	$ 302,000
Weighted average interest rate.....			2.17%				2.17%	

(1) Includes aggregate unamortized issuance discounts of approximately $661,000 on the senior unsecured notes issued during March 1999 and June 2002, which are due at maturity.

In addition, a one percent increase in the LIBOR rate would have an approximate $3.0 million annual increase in interest expense based on $302.0 million of variable rate debt outstanding at March 31, 2003.

The following table sets forth the Operating Partnership's mortgage notes and note receivables by scheduled maturity date, weighted average interest rates and estimated FMV at March 31, 2003 (dollars in thousands):

	For the Year Ended December 31,							
	2003	2004	2005	2006	2007	Thereafter	Total (1)	FMV
Mortgage notes and notes receivable:								
Fixed rate...........	$ --	$ --	$ 36,500	$ --	$ --	$ 16,990	$ 53,490	$ 54,625

Weighted
average
interest
rate......
11.32%
12.00% 11.54%

(1) Excludes interest receivables aggregating approximately $1.2 million.

ITEM 4. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures and internal controls designed to ensure that information required to be disclosed in our filings under the Securities Exchange Act of 1934 is reported within the time periods specified in the Securities and Exchange Commission's rules and forms. In this regard, the Operating Partnership has formed a Disclosure Committee currently comprised of all of the Company's executive officers as well as certain other employees with knowledge of information that may be considered in the SEC reporting process. The Committee has responsibility for the development and assessment of the financial and non-financial information to be included in the reports filed by the Operating Partnership with the SEC and assists the Company's Co-Chief Executive Officers and Chief Financial Officer in connection with their certifications contained in the Operating Partnership's SEC reports. The Committee meets regularly and reports to the Company's Audit Committee on a quarterly or more frequent basis. The Company's principal executive and financial officers have evaluated our disclosure controls and procedures within 90 days prior to the filing of this Quarterly Report on Form 10-Q and have determined that such disclosure controls and procedures are effective.

There have been no significant changes in internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The following table sets forth the Operating Partnership's schedule of its top 25 tenants based on base rental revenue as of March 31, 2003:

- --------------

---- PERCENT OF
PRO-RATA PERCENT
OF CONSOLIDATED
TOTAL SHARE OF
ANNUALIZED
ANNUALIZED BASE
TENANT NAME (1)
TENANT TYPE
SQUARE FEET BASE
RENTAL REVENUE
RENTAL REVENUE -

-- * DEBEVOISE &
PLIMPTON Office
465,420 3.3%
5.5% * AMERICAN
EXPRESS Office
238,342 2.0%
1.8% *
WORLDCOM/MCI
Office 335,242
1.8% 1.7% BELL
ATLANTIC Office
210,426 1.6%
1.3% * SCHULTE
ROTH & ZABEL
Office 238,052
1.4% 2.4% DUN &
BRADSTREET CORP.
Office 123,000

~~1.2% 1.0% FUJI~~
~~PHOTO FILM USA~~
~~Office 163,880~~
~~1.2% 1.0% UNITED~~
~~DISTILLERS~~
~~Office 137,918~~
~~1.1% 1.0% * HQ~~
~~GLOBAL~~
~~Office/Industrial~~
~~171,099 0.9%~~
~~1.0% *~~
~~PRUDENTIAL~~
~~Office 127,153~~
~~0.9% 0.9% *~~
~~BANQUE NATIONALE~~
~~DE PARIS Office~~
~~145,834 0.9%~~
~~1.5% * KRAMER~~
~~LEVIN NESSEN~~
~~KAMIN Office~~
~~158,144 0.8%~~
~~1.4% VYTRA~~
~~HEALTHCARE~~
~~Office 105,613~~
~~0.8% 0.7% T.D.~~
~~WATERHOUSE~~
~~Office 104,981~~
~~0.8% 0.7% P.R.~~
~~NEWSWIRE~~
~~ASSOCIATES~~
~~Office 67,000~~
~~0.8% 0.7%~~
~~HOFFMANN LA~~
~~ROCHE INC.~~
~~Office 120,736~~
~~0.7% 0.6% HELLER~~
~~EHRMAN WHITE~~
~~Office 64,526~~
~~0.7% 0.6% *~~
~~STATE FARM~~
~~Office/Industrial~~
~~164,175 0.7%~~
~~1.0% EMI~~
~~ENTERTAINMENT~~
~~WORLD Office~~
~~65,844 0.7% 0.6%~~
~~LABORATORY CORP~~
~~OF AMERICA~~
~~Office 108,000~~
~~0.7% 0.6% ESTEE~~
~~LAUDER~~
~~Industrial~~
~~374,578 0.7%~~
~~0.6% * DRAFT~~
~~WORLDWIDE INC.~~
~~Office 124,008~~
~~0.7% 1.1%~~
~~PRACTICING LAW~~
~~INSTITUTE Office~~
~~62,000 0.7% 0.6%~~
~~LOCKHEED MARTIN~~
~~CORP. Office~~
~~123,554 0.7%~~
~~0.6% D.E.SHAW~~
~~Office 70,104~~
~~0.6% 0.6%~~

(1) Ranked by pro-rata share of annualized based rental revenue adjusted for pro rata share of joint venture interests and to reflect WorldCom/MCI and HQ Global leases rejected to date.

* Part or all of space occupied by tenant is in a 51% or more owned joint venture building.

HISTORICAL NON-INCREMENTAL REVENUE-GENERATING CAPITAL EXPENDITURES, TENANT IMPROVEMENT COSTS AND LEASING COMMISSIONS

The following table sets forth annual and per square foot non-incremental revenue-generating capital expenditures in which the Operating Partnership paid or accrued, during the respective periods, to retain revenues attributable to existing leased space for the years 1999 through 2002 and for the three month period ended March 31, 2003 for the Operating Partnership's office and industrial / R&D properties other than One Orlando Center in Orlando, FL:

NON-INCREMENTAL REVENUE GENERATING CAPITAL EXPENDITURES (1)

	1999	2000	2001	2002	Average 1999-2002	YTD 2003
Suburban Office Properties						
Total	$ 2,298,899	$ 3,289,116	$ 4,606,069	$ 5,283,674	$ 3,869,440	$ 1,271,421
Per Square Foot	$ 0.23	$ 0.33	$ 0.45	$ 0.53	$ 0.39	$ 0.13
NYC Office Properties						
Total	N/A	$ 946,718	$ 1,584,501	$ 1,939,111	$ 1,490,110	$ 549,081
Per Square Foot	N/A	0.38	0.45	$ 0.56	0.46	$ 0.37
Industrial Properties						
Total	$ 1,048,688	$ 813,431	$ 711,666	$ 1,881,627	$ 1,113,853	$ 290,184
Per Square Foot	$ 0.11	$ 0.11	$ 0.11	$ 0.28	$ 0.15	$ 0.04
Total Portfolio						
Total	$ 3,347,587	$ 5,049,265	$ 6,902,236	$ 9,104,413		$ 2,110,686
Per Square Foot	$ 0.17	$ 0.25	$ 0.34	$ 0.45		$ 0.10

The following table sets forth annual and per square foot non-incremental revenue-generating tenant improvement costs and leasing commissions in which the Operating Partnership committed to perform, during the respective periods, to retain revenues attributable to existing leased space for the years 1999 through 2002 and for the three month period ended March 31, 2003 for the Operating Partnership's office and industrial / R&D properties other than One Orlando Center in Orlando, FL:

NON-INCREMENTAL REVENUE GENERATING TENANT IMPROVEMENTS AND LEASING COMMISSIONS (1), (3) and (4)

	1999	2000	2001	2002
Long Island Office Properties				
Tenant Improvements	$ 1,009,357	$ 2,853,706	$ 2,722,457	$ 1,917,466
Per Square Foot Improved	$ 4.73	$ 6.99	$ 8.47	$ 7.81
Leasing Commissions	$ 551,762	$ 2,208,604	$ 1,444,412	$ 1,026,970
Per Square Foot Leased	$ 2.59	$ 4.96	$ 4.49	$ 4.18
Total Per Square Foot	$ 7.32	$ 11.95	$ 12.96	$ 11.99
Westchester Office Properties				
Tenant Improvements	$ 1,316,611	$ 1,860,027	$ 2,584,728	$ 6,391,589 (2)
Per Square Foot Improved	$ 5.62	$ 5.72	$ 5.91	$ 15.05
Leasing Commissions	$ 457,730	$ 412,226	$ 1,263,012	$ 1,975,850 (2)
Per Square Foot Leased	$ 1.96	$ 3.00	$ 2.89	$ 4.65
Total Per Square Foot	$ 7.58	$ 8.72	$ 8.80	$ 19.70
Connecticut Office Properties				
Tenant Improvements	$ 179,043	$ 385,531	$ 213,909	$ 491,435
Per Square Foot Improved	$ 4.88	$ 4.19	$ 1.46	$ 3.81
Leasing Commissions	$ 110,252	$ 453,435	$ 209,322	$ 307,023
Per Square Foot Leased	$ 3.00	$ 4.92	$ 1.43	$ 2.38
Total Per Square Foot	$ 7.88	$ 9.11	$ 2.89	$ 6.19
New Jersey Office Properties				
Tenant Improvements	$ 454,054	$ 1,580,323	$ 1,146,385	$ 2,842,521
Per Square Foot Improved	$ 2.29	$ 6.71	$ 2.92	$ 10.76
Leasing Commissions	$ 787,065	$ 1,031,950	$ 1,602,962	$ 1,037,012
Per Square Foot Leased	$ 3.96	$ 4.44	$ 4.08	$ 3.92
Total Per Square Foot	$ 6.25	$ 11.15	$ 7.00	$ 14.68
New York City Office Properties				
Tenant Improvements	N/A	$ 65,267	$ 788,930	$ 4,350,106
Per Square Foot Improved	N/A	$ 1.79	$ 15.69	$ 18.39
Leasing Commissions	N/A	$ 418,185	$ 1,098,829	$ 2,019,837
Per Square Foot Leased	N/A	$ 11.50	$ 21.86	$ 8.54
Total Per Square Foot	N/A	$ 13.29	$ 37.55	$ 26.93
Industrial Properties				
Tenant Improvements	$ 375,646	$ 650,216	$ 1,366,488	$ 1,850,812
Per Square Foot Improved	$ 0.25	$ 0.95	$ 1.65	$ 1.97

Leasing Commissions	$ 835,108	$ 436,506	$ 354,572	$ 890,688
Per Square Foot Leased	$ 0.56	$ 0.64	$ 0.43	$ 0.95
Total Per Square Foot	$ 0.81	$ 1.59	$ 2.08	$ 2.92
TOTAL PORTFOLIO				
Tenant Improvements	$ 3,334,711	$ 7,395,070	$ 8,822,897	$17,843,929
Per Square Foot Improved	$ 1.53	$ 4.15	$ 4.05	$ 7.96
Leasing Commissions	$ 2,741,917	$ 4,960,906	$ 5,973,109	$ 7,257,379
Per Square Foot Leased	$ 1.26	$ 3.05	$ 2.75	$ 3.24
Total Per Square Foot	$ 2.79	$ 7.20	$ 6.80	$ 11.20

	Average 1999-2002	YTD 2003	New	Renewal
Long Island Office Properties				
Tenant Improvements	$ 2,125,747	$ 376,436	$ 354,129	$ 22,307
Per Square Foot Improved	$ 7.00	$ 7.12	$ 8.11	$ 2.42
Leasing Commissions	$ 1,307,937	$ 238,590	$ 215,997	$ 22,593
Per Square Foot Leased	$ 4.06	$ 4.51	$ 4.95	$ 2.45
Total Per Square Foot	$ 11.06	$ 11.63	$ 13.06	$ 4.87
Westchester Office Properties				
Tenant Improvements	$ 3,038,239	$ 96,001	$ 96,001	$ 0
Per Square Foot Improved	$ 8.08	$ 4.64	$ 8.72	$ 0.00
Leasing Commissions	$ 1,027,204	$ 42,666	$ 18,667	$ 23,999
Per Square Foot Leased	$ 3.13	$ 2.06	$ 1.70	$ 2.49
Total Per Square Foot	$ 11.20	$ 6.70	$ 10.42	$ 2.49
Connecticut Office Properties				
Tenant Improvements	$ 317,480	$ 8,036	$ 8,036	$ 0
Per Square Foot Improved	$ 3.58	$ 1.28	$ 1.28	$ 0
Leasing Commissions	$ 270,008	$ 38,525	$ 38,525	$ 0
Per Square Foot Leased	$ 2.93	$ 6.15	$ 6.15	$ 0
Total Per Square Foot	$ 6.52	$ 7.43	$ 7.43	$ 0.00
New Jersey Office Properties				
Tenant Improvements	$ 1,505,821	$ 2,271,806	$ 1,947,868	$ 323,938
Per Square Foot Improved	$ 5.67	$ 11.80	$ 35.87	$ 2.34
Leasing Commissions	$ 1,114,747	$ 1,312,207	$ 609,040	$ 703,167
Per Square Foot Leased	$ 4.10	$ 6.82	$ 11.22	$ 5.09
Total Per Square Foot	$ 9.77	$ 18.62	$ 47.09	$ 7.43
New York City Office Properties				
Tenant Improvements	$ 1,734,768	$ 1,624,190	$ 1,509,190	$ 115,000
Per Square Foot Improved	$ 11.96	$ 40.61	$ 59.94	$ 7.76
Leasing Commissions	$ 1,178,950	$ 569,370	$ 569,370	$ 0
Per Square Foot Leased	$ 13.97	$ 14.24	$ 18.80	$ 0.00
Total Per Square Foot	$ 25.92	$ 54.85	$ 78.74	$ 7.76
Industrial Properties				
Tenant Improvements	$ 1,060,791	$ 283,635	$ 252,501	$ 31,134
Per Square Foot Improved	$ 1.20	$ 1.14	$ 1.48	$ 0.39
Leasing Commissions	$ 629,218	$ 259,535	$ 239,357	$ 20,178
Per Square Foot Leased	$ 0.64	$ 1.04	$ 1.40	$ 0.26
Total Per Square Foot	$ 1.85	$ 2.18	$ 2.88	$ 0.65
TOTAL PORTFOLIO				
Tenant Improvements	$ 9,782,844	$ 4,660,104	$ 4,167,725	$ 492,379
Per Square Foot Improved	$ 4.75	$ 8.30	$ 9.66	$ 3.78
Leasing Commissions	$ 5,528,065	$ 2,460,892	$ 1,690,955	$ 769,937
Per Square Foot Leased	$ 2.66	$ 4.38	$ 3.92	$ 5.92
Total Per Square Foot	$ 7.41	$ 12.68	$ 13.58	$ 9.70

As noted, incremental revenue-generating tenant improvement costs and leasing commissions are excluded from the tables set forth above. The historical capital expenditures, tenant improvement costs and leasing commissions set forth above are not necessarily indicative of future non-incremental revenue-generating capital expenditures or non-incremental revenue-generating tenant improvement costs and leasing commissions that may be incurred to retain revenues on leased space.

NOTES:

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(1) Excludes non-incremental capital expenditures, tenant improvements and leasing commissions for One Orlando Center in Orlando, Florida. Paid or accrued capital expenses, tenant improvements and leasing commissions for the three month period ended March 31, 2003 were $160,935, $414,336 and $422,007 respectively. Committed tenant improvements and leasing commissions for One Orlando were $1,286,881 and $510,740 respectively.
(2) Excludes tenant improvements and leasing commissions related to a 163,880 square foot leasing transaction with Fuji Photo Film U.S.A. Leasing commissions on this transaction amounted to $5.33 per square foot and tenant improvement allowance amounted to $40.88 per square foot.
(3) All amounts represent tenant improvements and leasing costs committed on leases signed during the period.
(4) Excludes $746,827 of deferred leasing costs in YTD 2003 attributable to space marketed but not yet leased.

The following table sets forth the Operating Partnership's components of its paid or accrued non-incremental and incremental revenue-generating capital expenditures, tenant improvements and leasing costs for the three months ended March 31, 2003 as reported on its "Statements of Cash Flows - Investment Activities" contained in its consolidated financial statements (in thousands):

	March 31, 2003
Capital expenditures:	
Non-incremental	$ 2,272
Incremental	255
Tenant improvements:	
Non-incremental	12,366
Incremental	23
Additions to commercial real estate properties	$14,916
Leasing costs:	
Non-incremental	$ 2,599
Incremental	2,188
Payment of deferred leasing costs	$ 4,787
Acquisition and development costs	$ 5,888

The following table sets forth the Operating Partnership's lease expiration table at April 1, 2003 for its Total Portfolio of properties, its Office Portfolio and its Industrial / R&D Portfolio:

TOTAL PORTFOLIO (a)

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft
2003	118	1,136,247	5.6%	5.6%
2004	187	1,541,706	7.6%	13.2%
2005	243	2,479,052	12.2%	25.4%
2006	222	2,567,226	12.7%	38.1%
2007	144	1,625,535	8.0%	46.1%
2008	111	1,533,788	7.6%	53.6%
2009 and thereafter	291	8,007,433	39.6%	93.1%
Total/Weighted Average	1,316	18,890,987	93.1%	--
Total Portfolio Square Feet		20,294,055		

OFFICE PORTFOLIO (a)

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Office Sq Ft	Cumulative % of Total Portfolio Sq Ft

2003	105	829,574	6.1%	6.1%
2004	149	975,820	7.2%	13.3%
2005	209	1,792,499	13.2%	26.5%
2006	172	1,560,167	11.5%	38.0%
2007	112	1,261,583	9.3%	47.3%
2008	78	807,556	6.0%	53.3%
2009 and thereafter	239	5,343,909	39.4%	92.8%
Total/Weighted Average	1,064	12,571,108	92.8%	--
Total Office Portfolio Square Feet		13,559,025		

INDUSTRIAL/R&D PORTFOLIO

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Industrial/R&D Sq Ft	Cumulative % of Total Portfolio Sq Ft
2003	13	306,673	4.6%	4.6%
2004	38	565,886	8.4%	13.0%
2005	34	686,553	10.2%	23.1%
2006	50	1,007,059	15.0%	38.1%
2007	32	363,952	5.4%	43.5%
2008	33	726,232	10.8%	54.3%
2009 and thereafter	52	2,663,524	39.5%	93.8%
Total/Weighted Average	252	6,319,879	93.8%	--
Total Industrial/R&D Portfolio Square Feet		6,735,030		

(a) Excludes the 355,000 square foot office property located in Orlando, Florida.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The Operating Partnership is not presently subject to any material litigation nor, to the Operating Partnership's knowledge, is any litigation threatened against the Operating Partnership, other than routine actions for negligence or other claims and administrative proceedings arising in the ordinary course of business, some of which are expected to be covered by liability insurance and all of which collectively are not expected to have a material adverse effect on the liquidity, results of operations or business or financial condition of the Operating Partnership.

Item 2. Changes in Securities and use of proceeds - None
Item 3. Defaults Upon Senior Securities - None
Item 4. Submission of Matters to a Vote of Securities Holders - None
Item 5. Other information - None

Item 6. Exhibits and Reports on Form 8-K
a) Exhibits

10.1 Amended and Restated Long-Term Incentive Award Agreement, dated as of March 13, 2003, between the Company and Scott H. Rechler*

99.1 Certification of Donald Rechler, Co-CEO of Reckson Associates Realty Corp., the sole general partner of Reckson Operating Partnership, L.P., pursuant to Section 1350 of Chapter 63 of title 18 of the United States Code

99.1 Certification of Scott H. Rechler, Co-CEO of Reckson Associates Realty Corp., the sole general partner of Reckson Operating Partnership, L.P., pursuant to Section 1350 of Chapter 63 of title 18 of the United States Code

99.2 Certification of Michael Maturo, Executive Vice President, Treasurer and CFO of Reckson Associates Realty Corp., the sole general partner of Reckson Operating Partnership, L.P., pursuant to Section 1350 of Chapter 63 of title 18 of the United States Code

* Each of Donald J. Rechler, Mitchell D. Rechler, Gregg M. Rechler, Michael Maturo, Roger M. Rechler and Jason M. Barnett has entered into a Long-Term Incentive Award Agreement with the Company, dated March 13, 2003. These Agreements are identical in all material respects to the

Amended and Restated Long-Term Incentive Award Agreement for Scott H. Rechler filed herewith.

b) During the three months ended March 31, 2003 the Registrant filed the following reports on Form 8K:

On January 27, 2003, the Registrant submitted a report on Form 8-K under Item 5 with respect to the refinancing of its Credit Facility.

On March 5, 2003 the Registrant submitted a report on Form 8-K under Item 9 thereof in order to submit its fourth quarter presentation in satisfaction of the requirements of Regulation FD.

On March 5, 2003 the Registrant submitted a report on Form 8-K under Item 9 thereof in order to submit supplemental operating and financial data for the quarter ended December 31, 2002 in satisfaction of the requirements of Regulation FD.

SIGNATURES

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

RECKSON OPERATING PARTNERSHIP, L. P.
BY: RECKSON ASSOCIATES REALTY CORP., its sole general partner

By: /s/ Scott H. Rechler	By: /s/ Michael Maturo
Scott H. Rechler, Co-Chief Executive Officer	Michael Maturo, Executive Vice President, Treasurer and Chief Financial Officer

By: /s/ Donald Rechler

Donald Rechler, Co-Chief Executive Officer

DATE: May 9, 2003

CERTIFICATION

I, Donald J. Rechler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Reckson Operating Partnership, L.P.

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the audit committee of Registrant's board of directors:

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls; and

6. The Registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 9, 2003

/s/ Donald J. Rechler

Donald J. Rechler
Co-Chief Executive Officer,
Reckson Associates Realty Corp.,
the sole general partner of
the Registrant

CERTIFICATION

I, Scott H. Rechler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Reckson Operating Partnership, L.P.

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the audit committee of Registrant's board of directors:

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls; and

6. The Registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 9, 2003

/s/ Scott H. Rechler

Scott H. Rechler
Co-Chief Executive Officer,

Reckson Associates Realty Corp.,
the sole general partner of
the Registrant

CERTIFICATION

I, Michael Maturo, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Reckson Operating Partnership, L.P.

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the audit committee of Registrant's board of directors:

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls; and

6. The Registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 9, 2003

/s/ Michael Maturo

Michael Maturo
Executive Vice President, Treasurer
and Chief Financial Officer,
Reckson Associates Realty Corp.,
the sole general partner of
the Registrant

EXHIBIT 10.1

RECKSON ASSOCIATES REALTY CORP.
LONG-TERM INCENTIVE AWARD AGREEMENT

RECITALS

A. Scott Rechler (the "Grantee") is an executive officer of Reckson Associates Realty Corp. (the "Company") or one of its Affiliates.

B. The Company's Board of Directors has adopted a long-term incentive plan ("LTIP") designed to provide the Company's Executive Officers and certain other key senior employees with their incentive compensation through March 2007.

C. The Grantee has been selected by the Compensation Committee of the Board of Directors of the Company (the "Committee") to receive an award under the LTIP comprised of a grant of a core annual long-term incentive award (the "Core Award") and a special long-term incentive award (the "Special Outperformance Award"), effective as of March 13, 2003 (the "Date of Grant").

NOW, THEREFORE, the Company hereby grants to the Grantee, effective as of the Date of Grant, the Core Award in the form of 138,889 restricted shares of the Class A Common Stock ($0.01 par value per share) of the Company (the "Common Stock") and the Special Outperformance Award in the Target Amount, in each case subject to the terms and conditions of this Long-Term Incentive Award Agreement (this "Agreement").

1. Nature of Core Award; Restrictions on Transfer: The restricted shares of Common Stock that comprise the Core Award (the "Core Shares") will be granted to the Grantee under the Company's 2002 Stock Option Plan (the "Plan"), the terms and conditions of which are hereby incorporated by reference. The Core Shares will not be transferable by the Grantee until such shares become vested in accordance with Section 3.

2. Nature of Special Outperformance Award; Restrictions on Transfer: The Special Outperformance Award represents a potential cash bonus (with a stated Target Amount) that may become vested and earned based upon the Grantee's continued employment and the achievement of the performance goals set forth in Section 4 hereof. The Grantee's actual Special Outperformance Award amount, if any, will be based on the Grantee's vested interest in a portion of the Special Outperformance Pool and, to the extent this amount as determined under Section 4(a) is less than 25% of the Target Amount, may be based on the Grantee's Target Amount as provided in Section 4(b). The Grantee's right in the Special Outperformance Award represents a mere unfunded and unsecured contingent promise to pay by the Company. The Grantee will have no rights as a shareholder of the Company based on or attributable to the Grantee's Special Outperformance Award or Target Amount, and neither such Special Outperformance Award, nor such Target Amount, nor any interest therein may be transferred, assigned, alienated or anticipated other than by will or the laws of descent and distribution.

3. Vesting of the Core Shares: The Core Shares generally will become vested and transferable as follows:

(a) 6.25% of the Core Shares will become cumulatively vested and transferable on each of the first four anniversaries of the Date of Grant (each such anniversary hereinafter referred to as an "Annual Vesting Date"); in each case provided that the Grantee remains in continuous employment with the Company or any of its Affiliates until such date.

(b) 18.75% of the Core Shares will become cumulatively vested and transferable on each of the Annual Vesting Dates; in each case provided that the Grantee remains in continuous employment with the Company or any of its Affiliates until such date; and provided, further, that any shares which otherwise would become vested on such Annual Vesting Date will not become so vested unless the Company has achieved, during the last year completed before the applicable Annual Vesting Date, a cumulative and compounded total return to shareholders based on the Base Price (including all dividends and stock appreciation) that either (i) is at or above the 50th percentile of the cumulative and compounded total return to shareholders achieved by members of the Peer Group during the same period, or (ii) subject to the provisions of Section 3(f), equals a cumulative and compounded total return of at least 9% per annum. If the vesting performance requirement is not satisfied for a given period, the Core Shares from such year or years will not be forfeited and will be eligible to become vested if the vesting performance requirement applicable to such Core Shares is satisfied on a cumulative and compounded basis for an extended performance period that includes the year ended prior to the original Annual Vesting Date and the and the year ended on the following Annual Vesting Date. If necessary, this cumulative and compounded method of satisfying the vesting performance requirement also will be applied on a look-back basis at the end of the four-year vesting performance period. For purposes of this Section, (i) the performance of the Company relative to the performance of members of the Peer Group will be determined using the actual closing prices per share on the New York Stock Exchange of the Common Stock and the securities of the members of the Peer Group on the applicable anniversary of the Date of Grant (or the last trading day preceding such anniversary if the anniversary does not fall on a trading day), and (ii) the per annum percentage performance of the Company will be determined using the 45-day VWAP for the period ending on the applicable anniversary of the Date of Grant (or the last trading day preceding such anniversary if the anniversary does not fall on a trading day).

(c) Notwithstanding the foregoing, if a Change-in-Control occurs prior to the fourth Annual Vesting Date and the Grantee remains in continuous employment with the Company or any of its Affiliates until such occurrence, all non-vested Core Shares will thereupon become fully vested and transferable.

(d) Notwithstanding the foregoing, if the Grantee's employment with the Company and all Affiliates is terminated prior to the fourth Annual Vesting Date by reason of the Grantee's death or Disability, by the Grantee for Good Reason, or by the Company or any Affiliate for any reason other than Cause or transfer to another Affiliate, all non-vested Core Shares will thereupon become fully vested and transferable. If the Grantee's employment with the Company and all Affiliates is terminated prior to the fourth Annual Vesting Date for any other reason, any Core Shares that have not yet become vested will thereupon be forfeited.

(e) Notwithstanding the foregoing, if the Grantee remains in continuous employment with the Company or any of its Affiliates until an applicable Annual Vesting Date but the vesting performance requirement is not satisfied for the year ending on such date (or any extended performance period as contemplated in Section 3(b) above), and if the Committee determines that it nevertheless would be consistent with the spirit and intent of this Agreement to vest some or all of the Core Shares that otherwise would have become vested and transferable on that Annual Vesting Date, then the Committee, in its sole and absolute discretion, may elect to vest some or all of such Core Shares.

(f) Notwithstanding the foregoing, in the event that (i) the Core Shares would become vested as a result of the Company achieving a cumulative and compounded total return of at least 9% per annum in accordance with the terms of Section 3(b), (ii) the appreciation in the share price of the Common Stock alone has not resulted in the Company achieving such a 9% per annum total return (i.e., without taking into account any dividends paid to holders of Common Stock), and (iii) the Company's Dividend Payout Ratio with regard to its Cash Available for Distribution exceeds 100% for any relevant annual period or periods, the Compensation Committee may, in its sole discretion, review whether it is appropriate for the Core Shares to vest for such period or periods, and may determine that the Core Shares shall not vest, in whole or in part, based upon such facts as it deems appropriate including, but not limited to, the effect on the Dividend Payout Ratio of rent concessions, tenant improvements, capital expenditures by the Company and similar matters.

4. Vesting of the Special Outperformance Award: The Special Outperformance Award generally will become vested as follows:

(a) The Special Outperformance Award (determined as set forth below) will become vested on the fourth Annual Vesting Date; provided that the Grantee remains in continuous employment with the Company or any of its Affiliates until the fourth Annual Vesting Date; and provided, further, that the Company has achieved, during the four years completed before the fourth Annual Vesting Date, a cumulative and compounded total return to shareholders based on the Base Price (including all dividends and stock appreciation) that (i) is at or above the 60th percentile of the cumulative and compounded total return to shareholders achieved by members of the Peer Group during the same period, and (ii) equals a cumulative and compounded total return of at least 9% per annum. The dollar amount of Grantee's Special Outperformance Award that becomes vested on such fourth Annual Vesting Date will equal (i) the Special Outperformance Pool, multiplied by (ii) the Grantee's Special Outperformance Award Percentage. The value of the portion of the Special Outperformance Award that becomes vested by operation of the preceding sentence may exceed the Grantee's Target Amount. The Committee will determine the levels of the Company's shareholder return in good faith as soon as practicable after the fourth Annual Vesting Date. For purposes of this Section, (i) the performance of the Company relative to the performance of members of the Peer Group will be determined using the actual closing prices per share on the New York Stock Exchange of the Common Stock and the securities of the members of the Peer Group on the applicable anniversary of the Date of Grant (or the last trading day preceding such anniversary if the anniversary does not fall on a trading day), and (ii) the per annum percentage performance of the Company will be determined using the 45-day VWAP for the period ending on the applicable anniversary of the Date of Grant (or the last trading day preceding such anniversary if the anniversary does not fall on a trading day).

(b) To the extent that the amount of the Special Outperformance Award that becomes vested to the Grantee on the fourth Annual Vesting Date pursuant to Section 4(a) above equals less than 25% of the Target Amount, the Committee, in its sole and absolute discretion, may provide for the vesting and payment of an amount equal to not more than 25% of the Grantee's Target Amount; provided that the Grantee remains in continuous employment with the Company or any of its Affiliates until the fourth Annual Vesting Date; and provided, further, that the Company has achieved, during the four years completed before the fourth Annual Vesting Date, a cumulative and compounded total return to shareholders based on the Base Price (including all dividends and stock appreciation) that either (i) is at or above the 60th percentile of the cumulative and compounded total return to shareholders achieved by members of the Peer Group during the same period, or (ii) equals a cumulative and compounded total return of at least 9% per annum. The Committee will determine the levels of the Company's shareholder return in good faith and the extent to which such award becomes vested as soon as practicable after the applicable anniversary date.

(c) Notwithstanding the foregoing, if a Change-in-Control occurs prior to the fourth Annual Vesting Date and the Grantee remains in continuous employment with the Company or any of its Affiliates until such occurrence, the Grantee's Target Amount will thereupon become fully vested, and all obligations to the Grantee in respect of the Special Outperformance Award shall be satisfied in full upon payment thereof.

(d) Notwithstanding the foregoing, if the Grantee's employment with the Company and all Affiliates is terminated prior to the fourth Annual Vesting Date by the Grantee for Good Reason, or by the Company or any Affiliate for any reason other than death, Disability, Cause or transfer to another Affiliate, the Grantee's Target Amount will thereupon become fully vested, and all obligations to the Grantee in respect of the Special Outperformance Award shall be satisfied in full upon payment thereof. If the Grantee's employment with the Company and all Affiliates is terminated prior to the fourth Annual Vesting Date by reason of the Grantee's retirement at or after age 65, then a pro rata portion (if any) of the Special Outperformance Award (calculated at the end of the four-year performance period) will become vested as of the date of the Grantee's retirement, and all obligations to the Grantee in respect of the Special Outperformance Award shall be satisfied in full upon payment thereof. Such pro rata portion will equal (i) the portion of the Special Outperformance Award that otherwise would have become vested under Sections 4(a) or (b) (as applicable) if the Grantee had remained employed with the Company or any Affiliate until the fourth Annual Vesting Date, multiplied by (ii) the number of years from the Date of Grant to the date of death or Disability (rounded to the next whole year), and divided by (iii) four. If the Grantee's employment with the Company and all Affiliates is terminated prior to the fourth Annual Vesting Date by reason of the Grantee's death or Disability, then the portion (if any) of the Special Outperformance Award that otherwise would have become vested under Sections 4(a) or (b) (as applicable) if the Grantee had remained employed with the Company or any Affiliate until the fourth Annual Vesting Date (calculated at the end of the four-year performance period) will become vested. If the Grantee's employment with the Company and all Affiliates is terminated prior to the fourth Annual Vesting Date for any other reason, to the extent the Special Outperformance Award (or a portion thereof) has not yet become vested under Section 4(a) or (b), the Grantee's right to receive any portion of the Special Outperformance Award will thereupon be forfeited by the Grantee, and the Company will have no obligations to the Grantee in respect thereof.

(e) Notwithstanding the foregoing (including, without limitation, Section 4(b)), if the Grantee remains in continuous employment with the Company or any of its Affiliates until the fourth Annual Vesting Date but the vesting performance requirement set forth in Section 4(a) or 4(b) is not satisfied for the period ending on such date, and if the Committee determines that it nevertheless would be consistent with the spirit and intent of this Agreement to vest some or all of the Special Award that otherwise would have become vested on that anniversary date, then the Committee, in its sole and absolute discretion, may elect to vest some or all of such Special Award.

5. Delivery of Core Shares and Payment of Special Outperformance Award. Subject to Section 12, as soon as practicable after any portion of the Grantee's Core Shares become vested and transferable (as determined under Section 3), the Company will instruct its stock transfer agent (i) to issue certificates to the Grantee representing such vested Core Shares without the legends contemplated under Section 1 and (ii) to process any applicable transfers of such vested Core Shares. As soon as reasonably practicable after any portion of the Grantee's Special Outperformance Award is determined to have become vested, the Company will distribute the amount or value of such vested Special Outperformance Award (as determined under Section 4) to the Grantee in cash (less applicable withholding in accordance with Section 12); provided, however, that the Committee, in its sole and absolute discretion, may elect to distribute some or all of such vested Special Outperformance Award in the form of shares of Common Stock, provided further that sufficient shares of Common Stock are available for such distribution under the Plan or any other Company plan or program that provides for the issuance of equity to employees. If any portion of the Special Outperformance Award is satisfied by the distribution of shares of Common Stock, the value of such shares will be determined using the 45-day VWAP on the date such Special Outperformance Award is vested. Notwithstanding any provision of any employment, severance or change of control agreement between the Grantee and the Company to the contrary, the Grantee shall not be entitled to receive any payment or benefit from the Company intended to defray or offset some or all of the Grantee's income tax liability with respect to benefits under this Agreement.

6. Payment of Dividends: The Core Shares will accrue on a cumulative basis all dividends paid on such shares from the date of actual issuance through the date of vesting. Subject to Section 12, as soon as practicable after any Core Shares become vested, the Company will pay to the Grantee in cash or in kind (as applicable) the dividends accrued with respect to such shares. No dividends will accrue with respect to the Special Outperformance Award.

7. Adjustment. The Committee will make or provide for such adjustments in the number of shares of Common Stock underlying the Core Shares and the vesting performance requirements applicable to Core Shares and the Special Outperformance Award covered by this Agreement, as the Committee may in good faith determine to be equitably required in order to prevent any dilution or expansion of the rights of the Grantee that otherwise would result from (i) any stock dividend, stock split, combination of shares, recapitalization or similar change in the capital structure of the Company or (ii) any merger, consolidation, spin-off, spin-out, split-off, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of warrants or other rights to purchase securities or any other transaction or event having an effect similar to any of the foregoing.

8. Compliance With Law. The Company and the Grantee will make reasonable efforts to comply with all applicable securities laws. In addition, notwithstanding any provision of this Agreement to the contrary, no Core Shares or Special Outperformance Award will become vested or be paid at a time that such vesting or payment would result in a violation of any such law.

9. Investment Representation; Registration.

(a) In order to comply with Section 8 hereof and any applicable securities law, the Company may require the Grantee (i) to furnish evidence satisfactory to the Company (including, without limitation, a written and signed representation letter) to the effect that any shares of Common Stock acquired pursuant to this Agreement were acquired for investment only and not for resale or distribution and (ii) to agree that all such shares will only be sold following registration under the Securities Act of 1933 (the "Securities Act") or pursuant to an exemption therefrom.

(b) The Company may affix a legend to the certificates representing unregistered shares of Common Stock issued pursuant to this Agreement, if any, to the effect that such shares have not been registered under the Securities Act and may only be sold or transferred upon registration or pursuant to an exemption therefrom.

(c) The Company will have no obligation to register under the Securities Act any shares of Common Stock or any other securities issued pursuant to this Agreement.

10. Severability. In the event that one or more of the provisions of this Agreement may be invalidated for any reason by a court, any provision so invalidated will be deemed to be separable from the other provisions hereof, and the remaining provisions hereof will continue to be valid and fully enforceable.

11. Governing Law. This Agreement is made under, and will be construed in accordance with, the laws of the State of New York, without giving effect to the principle of conflict of laws of such State.

12. Withholding and Taxes. No later than the date as of which an amount first becomes includible in the gross income of the Grantee for income tax purposes or subject to Federal Insurance Contributions Act withholding with respect to any award under this Agreement, such Grantee will pay to the Company or, if appropriate, any of its Affiliates, or make arrangements satisfactory to the Committee regarding the payment of, any United States federal, state or local or foreign taxes of any kind required by law to be withheld with respect to such amount. The Committee may permit or require that withholding obligations be settled with Common Stock, including Common Stock that is part of the award that gives rise to the withholding requirement. The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company and its Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Grantee. The Committee may establish such procedures as it deems appropriate for the settlement of withholding obligations with Common Stock.

13. Certain Definitions.

(a) "Affiliate" means any person or entity that, at the time of reference, is controlled by, controlling of or under common control with the Company.

(b) "Base Price" means the closing price per share of the Common Stock on the New York Stock Exchange on the Date of Grant.

(c) "Cause" means a finding by the Company's Board of Directors that the Grantee has (i) acted with gross negligence or willful misconduct in connection with the performance of his material duties to the Company or any Affiliate; (ii) defaulted in the performance of his material duties to the Company or any Affiliate and has not corrected such action within 15 days of receipt of written notice thereof; (iii) willfully acted against the best interests of the Company or any Affiliate, which act has had a material and adverse impact on the financial affairs of the Company or such Affiliate; or (iv) been convicted of a felony or committed a material act of common law fraud against the Company, any Affiliate or any of their employees and such act or conviction has had, or the Company's Board of Directors reasonably determines will have, a material adverse effect on the interests of the Company or such Affiliate; provided, however, that a finding of Cause will not become effective unless and until the Board of Directors provides the Grantee notice that it is considering making such finding and a reasonable opportunity to be heard by the Board of Directors.

(d) "Cash Available for Distribution" means the Company's cash available for distribution to holders of Common Stock on an "as committed" basis as announced by the Company for the relevant period.

(e) A "Change-in-Control" will be deemed to have occurred if following the Date of Grant:

(i) any Person, together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Securities Exchange Act of 1934 (the "Exchange Act")) of such Person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of (A) the combined voting power of the Company's then outstanding securities having the right to vote in an election of the Company's Board of Directors ("Voting Securities"), (B) the combined voting power of the Company's then outstanding Voting Securities and any securities convertible into Voting Securities, or (C) the then outstanding shares of all classes of stock of the Company; or

(ii) individuals who, as of the effective date of this Agreement, constitute the Company's Board of Directors (the "Incumbent Directors") cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Company's Board of Directors, provided that any person becoming a director of the Company subsequent to the effective date of this Agreement whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A under the Exchange Act) shall, for purposes of this Agreement, be considered an Incumbent Director; or

(iii) consummation of (1) any consolidation or merger of the Company or any subsidiary where the stockholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, but based solely on their prior ownership of shares of the Company, shares representing in the aggregate more than 60% of the voting shares of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), or (2) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company; or

(iv) stockholder approval of any plan or proposal for the liquidation or dissolution of the Company.

Notwithstanding the foregoing, a "Change-in-Control" shall not be deemed to have occurred for purposes of the foregoing clause (i) (A) solely as the result of an acquisition of securities by the Company which, by reducing the number of shares of stock or other Voting Securities outstanding, increases (x) the proportionate number of shares of stock of the Company beneficially owned by any Person to 30% or more of the shares of stock then outstanding or (y) the proportionate voting power represented by the Voting Securities beneficially owned by any Person to 30% or more of the combined voting power of all then outstanding Voting Securities; provided, however, that if any Person referred to in clause (x) or (y) of this sentence shall thereafter become the beneficial owner of any additional stock of the Company or other Voting Securities (other than pursuant to a share split, stock dividend, or similar transaction), then a "Change-in-Control" shall be deemed to have occurred for purposes of the foregoing clause (i), and (B) solely as a result of the direct or indirect acquisition of beneficial ownership of Voting Securities by any executive officers of the Company on the date hereof and/or the Company, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan of the Company or any of its subsidiaries if the Grantee is one of the executive officers participating in such acquisition.

(f) "Disability" means that the Grantee has been unable to efficiently perform his duties to the Company and all Affiliates because of any physical or mental injury or illness until the earlier of such time when (i) the period of injury or illness (whether or not the same injury or illness) exceeds 180 consecutive days or (ii) the Grantee becomes eligible to receive benefits under a comprehensive disability insurance policy maintained or sponsored by the Company.

(g) "Dividend Payout Ratio" means the quotient, expressed as a percentage, derived by dividing the aggregate dividends paid on shares of Common Stock during a relevant period by the Cash Available for Distribution for such period.

(h) "Good Reason" means the occurrence of any of the following events or conditions, which event or condition is not corrected by the Company within 30 days of written notice from the Grantee: (i) any failure of the Board of Directors of the Company to elect the Grantee to offices with the same or substantially the same duties and responsibilities as in effect on the Date of Grant, (ii) any material failure by the Company or any Affiliate to timely pay or provide to the Grantee any compensation or benefits required to be paid or provided under the terms of any employment or similar agreement in effect during the term of this Agreement between the Grantee and the Company or such Affiliate, (iii) any material breach by the Company or any Affiliate of any other provision of any employment or similar agreement in effect during the term of this Agreement between the Grantee and the Company or such Affiliate, and (iv) any failure by the Company or any Affiliate to timely offer to renew (and to hold such offer to renew open for acceptance for a reasonable period of time) on substantially identical terms until at least the fourth anniversary of the Date of Grant any employment agreement in effect on the Date of Grant between the Grantee and the Company or such Affiliate.

(i) "Peer Group" means the business entities set forth on Exhibit A to this Agreement, and any successors to the businesses or assets of such entities as determined by the Committee in its sole and absolute discretion. If an entity listed on such Exhibit ceases to exist during the term of this Agreement and the Committee determines that there is no successor to the business or assets of such entity, then such entity will cease to be treated as a member of the Peer Group to the extent and for the periods determined by the Committee in its sole and absolute discretion.

(j) "Person" has the meaning used in Sections 13(d) and 14(d) of the Exchange Act.

(k) "Special Outperformance Award Percentage" means 10.04%.

(l) "Special Outperformance Pool" means the dollar value, if any, of 10% of the cumulative and compounded return to holders of common equity of the Company and Reckson Operating Partnership, L.P. ("ROP") (collectively, "Common Equity") based on the Base Price (including all dividends and stock appreciation) in excess of a cumulative and compounded return of 9% per annum during the four years completed before the fourth anniversary of the Date of Grant. For this purpose, such return shall be calculated as the product of (i) the sum of (A) the increase in market value of the per share price of the Common Stock over the Base Price as of the fourth anniversary of the Date of Grant and (B) the total amount of the dividends paid per share of Common Stock during such four-year period; less the amount equal to a cumulative and compounded return of 9% per annum on the Base Price, and (ii) the average annual weighted average shares (units) of Common Equity outstanding for such four-year period.

(m) "Target Amount" means $2,500,000.00.

(n) "VWAP" means the volume weighted average closing price per share of the Common Stock on the New York Stock Exchange during the period ending on the last trading day before the date of determination.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the ___ day of March, 2003.

RECKSON ASSOCIATES REALTY CORP.

By: ---------------------------------------

Name:

Title:

The Grantee

Exhibit A - Peer Group Companies

Arden Realty Group, Inc.
Boston Properties, Inc.
Brandywine Realty Trust
CarrAmerica Realty Corporation
CenterPoint Properties Trust
Cousins Properties Incorporated
Crescent Real Estate Equities, Inc.
Duke Realty Corporation
Equity Office Properties Trust
First Industrial Realty Trust
Highwoods Properties, Inc.
Liberty Property Trust
Mack-Cali Realty Corporation
Prentiss Properties Trust
SL Green Realty Corporation
Vornado Realty Trust

RECKSON OPERATING PARTNERSHIP, L.P.

EXHIBIT 99.1

CERTIFICATION PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

I, Donald Rechler, CO-CEO of Reckson Associates Realty Corp. the sole general partner of Reckson Operating Partnership, L.P. (the "Company"), certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1) The Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2003 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 9, 2003

RECKSON OPERATING PARTNERSHIP, L.P.
By: Reckson Associates Realty Corp., its sole general partner

By /s/ Donald Rechler

Donald Rechler, Co-Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Reckson Operating Partnership, L.P. and will be furnished to the Securities and Exchange Commission or its staff upon request.

RECKSON OPERATING PARTNERSHIP, L.P.

EXHIBIT 99.2

CERTIFICATION PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

I, Scott H. Rechler, CO-CEO of Reckson Associates Realty Corp. the sole general partner of Reckson Operating Partnership, L.P. (the "Company"), certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1) The Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2003 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 9, 2003

RECKSON OPERATING PARTNERSHIP, L.P.
By: Reckson Associates Realty Corp., its sole general partner

By /s/ Scott H. Rechler

Scott H. Rechler, Co-Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Reckson Operating Partnership, L.P. and will be furnished to the Securities and Exchange Commission or its staff upon request.

RECKSON OPERATING PARTNERSHIP, L.P.

EXHIBIT 99.3

CERTIFICATION PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

I, Michael Maturo, Executive Vice President, Treasurer and CFO of Reckson Associates Realty Corp. the sole general partner of Reckson Operating Partnership, L.P. (the "Company"), certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1) The Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2003 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 9, 2003

RECKSON OPERATING PARTNERSHIP, L.P.
By: Reckson Associates Realty Corp., its sole general partner

By /s/ Michael Maturo

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

A signed original of this written statement required by Section 906 has been provided to Reckson Operating Partnership, L.P. and will be furnished to the Securities and Exchange Commission or its staff upon request.