

RECKSON ASSOCIATES REALTY CORP  
Form PRER14A  
April 19, 2005

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

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**RECKSON ASSOCIATES REALTY CORP.**

\_\_\_\_\_  
(Name of Registrant as Specified In Its Charter)

\_\_\_\_\_  
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.  
(1) Title of each class of securities to which transaction applies:

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- (2) Aggregate number of securities to which transaction applies:

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(1) Amount Previously Paid:

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**RECKSON ASSOCIATES REALTY CORP.**

**225 Broadhollow Road  
Melville, New York 11747**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON MAY 19, 2005**

To our Stockholders:

The 2005 Annual Meeting of Stockholders (the "Annual Meeting") of Reckson Associates Realty Corp., a Maryland corporation (the "Company"), will be held on Thursday, May 19, 2005 at 10:30 a.m., local time, at the MGM Theatre located at 1350 Avenue of the Americas, New York, New York, for the following purposes:

1. To elect eight directors of the Company to serve until the 2006 Annual Meeting of Stockholders, and until their respective successors are duly elected and qualified;
2. To consider and vote upon a proposal to amend the charter of the Company to increase the number of authorized shares of common stock, par value \$0.01 per share, of the Company from 100,000,000 to 200,000,000;
3. To consider and vote upon a proposal to approve the Company's 2005 Stock Option Plan;
4. To consider ratifying the selection of Ernst & Young LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2005; and
5. To consider and vote upon any other matters that may properly be brought before the Annual Meeting and at any adjournments or postponements thereof.

Any action may be taken on the foregoing matters at the Annual Meeting on the date specified above, or on any date or dates to which, by original or later adjournment or postponement, the Annual Meeting may be adjourned or to which the Annual Meeting may be postponed.

The Board of Directors has fixed the close of business on March 21, 2005 as the record date for determining the stockholders entitled to notice of and to vote at the Annual Meeting and at any adjournments or postponements thereof. Only stockholders of record of the Company's common stock, par value \$0.01 per share, at the close of business on that date will be entitled to notice of and to vote at the Annual Meeting and at any adjournments or postponements thereof.

You are requested to fill in and sign the enclosed form of proxy, which is being solicited by the Board of Directors, and to mail it promptly in the enclosed postage prepaid envelope. Any proxy may be revoked by delivery of a later dated proxy. Stockholders of record who attend the Annual Meeting may vote in person, even if they have previously delivered a signed proxy.

*By Order of the Board of Directors*

Scott H. Rechler  
Chairman of the Board, Chief  
Executive Officer and President

Melville, New York  
April 18, 2005

**WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE COMPLETE, SIGN, DATE AND PROMPTLY RETURN THE ENCLOSED PROXY CARD IN THE POSTAGE-PREPAID ENVELOPE PROVIDED. IF YOU ATTEND THE ANNUAL MEETING, YOU MAY VOTE IN PERSON IF YOU WISH, EVEN IF YOU HAVE PREVIOUSLY RETURNED YOUR PROXY CARD.**

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**RECKSON ASSOCIATES REALTY CORP.**

225 Broadhollow Road  
Melville, New York 11747

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**PROXY STATEMENT**

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**FOR 2005 ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON MAY 19, 2005**

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Reckson Associates Realty Corp., a Maryland corporation (the "Company"), for use at the 2005 Annual Meeting of Stockholders of the Company to be held on May 19, 2005, and at any adjournments or postponements thereof (the "Annual Meeting"). At the Annual Meeting, stockholders will be asked (1) to vote upon the election of eight directors of the Company to serve until the 2006 Annual Meeting of Stockholders, and until their respective successors are duly elected and qualified, (2) to consider and vote upon a proposal to amend the charter (the "Charter") of the Company to increase the number of authorized shares of common stock, par value \$0.01 per share, of the Company from 100,000,000 to 200,000,000, (3) to consider and vote upon a proposal to approve the Company's 2005 Stock Option Plan, (4) to consider ratifying the selection of Ernst & Young LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2005 and (5) to consider and vote upon any other matters that may properly be brought before the Annual Meeting and at any adjournments or postponements thereof.

This Proxy Statement and the accompanying Notice of Annual Meeting and Proxy Card are first being sent to stockholders on or about April 19, 2005. The Board of Directors has fixed the close of business on March 21, 2005 as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting (the "Record Date"). Only stockholders of record of the Company's common stock at the close of business on the Record Date will be entitled to notice of and to vote at the Annual Meeting. As of the Record Date, there were 81,628,943 shares of common stock outstanding and entitled to vote at the Annual Meeting. Holders of common stock outstanding as of the close of business on the Record Date will be entitled to one vote for each share held by them on the Record Date.

The presence, in person or by proxy, of holders of at least a majority of the total number of outstanding shares of common stock entitled to vote at the Annual Meeting is necessary to constitute a quorum for the transaction of business at the Annual Meeting. The affirmative vote of the holders of a plurality of the votes cast on the matter at the Annual Meeting (assuming a quorum is present) is required for the election of directors. The affirmative vote of the holders of two-thirds of the votes entitled to be cast on the matter at the Annual Meeting (assuming a quorum is present) is required for the approval of the amendment to the Company's Charter. The affirmative vote of the holders of a majority of votes cast on the matter is required for the approval of the Company's 2005 Stock Option Plan and the ratification of the Company's independent registered public accounting firm, provided that, with respect to the approval of the Company's 2005 Stock Option Plan, the total vote cast on the Proposal represents over 50% in interest of all securities entitled to vote on the Proposal.

A broker non-vote occurs when a broker does not vote on some matter on the proxy card because the broker does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner. Abstentions and broker non-votes are counted as present for determining a quorum at the Annual Meeting. For Proposal 1, the election of directors, and Proposal 4, the ratification of the selection of independent registered public accounting firm, abstentions will not be counted as votes cast and will have no effect on the result of the vote. Broker

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non-votes will not exist for Proposal 1 and Proposal 4 because brokers have discretionary voting power. For Proposal 2, a proposal to amend the Company's Charter, abstentions and broker non-votes will have the same effect as votes cast against the Proposal. For Proposal 3, a proposal to approve the Company's 2005 Stock Option Plan, abstentions will have the same effect as votes cast against the Proposal and broker non-votes will have the same effect as votes cast against the Proposal, unless holders of more than 50% in interest of all securities entitled to vote on the Proposal cast votes, in which event broker non-votes will not have any effect on the result of the vote.

The cost of solicitation of proxies in the form enclosed herewith will be paid by the Company. In addition to the solicitation of proxies by mail, the directors, officers and employees of the Company may also solicit proxies personally or by telephone without additional compensation for such activities. The Company will also request persons, firms and corporations holding shares in their names or in the names of their nominees, which are beneficially owned by others, to send proxy materials to and obtain proxies from such beneficial owners. The Company will reimburse such holders for their reasonable expenses.

**Stockholders of the Company are requested to complete, sign, date and promptly return the accompanying Proxy Card in the enclosed postage prepaid envelope. Shares represented by a properly executed proxy received prior to the vote at the Annual Meeting and not revoked will be voted at the Annual Meeting as directed on the proxy. If a properly executed proxy is submitted and no instructions are given, the proxy will be voted: FOR the election of eight nominees for directors of the Company; FOR the amendment to the Charter to increase the number of authorized shares of common stock of the Company from 100,000,000 to 200,000,000; FOR the approval of the Company's 2005 Stock Option Plan; and FOR ratification of the Board of Directors' selection of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2005.**

**It is not anticipated that any matters other than those set forth in the Proxy Statement will be presented at the Annual Meeting. If other matters are properly presented, proxies will be voted in accordance with the discretion of the proxy holders.**

A stockholder of record may revoke a proxy at any time before it has been exercised by filing a written revocation with the Secretary of the Company at the address of the Company set forth above, by filing a duly executed proxy bearing a later date, or by appearing in person and voting by ballot at the Annual Meeting. Any stockholder of record as of the Record Date attending the Annual Meeting may vote in person whether or not a proxy has been previously given, but the presence (without further action) of a stockholder at the Annual Meeting will not constitute revocation of a previously given proxy. No dissenters' or appraisal rights are available with respect to the proposals presently being submitted to the stockholders for their consideration.

The Company's 2004 Annual Report, including financial statements for the fiscal year ended December 31, 2004, accompanies the proxy solicitation materials. The Annual Report, however, is not part of the proxy solicitation material.

**PROPOSAL 1: ELECTION OF DIRECTORS**

The Board of Directors of the Company consists of eight members, with the directors each serving for a term of one year and until their respective successors are duly elected and qualified.

At the Annual Meeting, eight directors will be elected to serve until the 2006 Annual Meeting of Stockholders and until their successors are duly elected and qualified. The Board of Directors has nominated Messrs. Scott H. Rechler, Douglas Crocker II, Ronald H. Menaker, Peter Quick, Lewis S. Ranieri, John F. Ruffle and Stanley Steinberg and Ms. Elizabeth McCaul to serve as directors of the Company (the "Nominees"). Each of the Nominees is currently serving as a director of the Company. The Board of Directors anticipates that each of the Nominees will serve, if elected, as a director. However, if any person nominated by the Board of Directors is unable to accept election, the proxies will be voted for the election of such other person or persons as the Board of Directors may recommend.

**The Board of Directors recommends a vote FOR each of the eight Nominees.**

**Information Regarding Nominees and Officers**

The following table and biographical descriptions set forth certain information with respect to each of the directors of the Company and the executive officers who are not directors, based upon information furnished to the Company by each director and executive officer.

Name	Age	Director Since	Amount and Nature of Beneficial Ownership of Common Stock(1)	Percent of Class(2)
Scott H. Rechler	37	1994	857,081(3)	1.01%
Douglas Crocker II	65	2004	6,000(4)	*
Elizabeth McCaul	43	2004	6,000(5)	*
Ronald H. Menaker	60	2002	14,966(6)	*
Peter Quick	49	2002	12,949(7)	*
Lewis S. Ranieri	58	1997	42,466(8)	*
John F. Ruffle	68	2004	4,000(9)	*
Stanley Steinberg	72	2004	4,676(10)	*

\*  
Less than one percent.

(1) All information has been determined as of March 21, 2005. For purposes of this table a person is deemed to have "beneficial ownership" of the number of shares of common stock that a person has the right to acquire pursuant to the exercise of stock options exercisable within sixty days, or the redemption of units ("Units") of limited partnership interest (including vested LTIP Units, as defined herein) in our operating partnership, Reckson Operating Partnership, L.P., a Delaware limited partnership (the "Operating Partnership") (assuming the Company elects to issue common stock rather than pay cash upon such redemption). Pursuant to the terms of the Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of June 2, 1995, as amended, the Operating Partnership is obligated to redeem Units for cash, or, at the option of the Company, shares of common stock. LTIP Units are convertible into common units only upon the satisfaction of certain conditions. With respect to the foregoing, the Company has assumed that all conditions required for all vested LTIP Units to be convertible into an equal number of common units have been satisfied. See "Executive Compensation" for a discussion of LTIP Units and the vesting of stock options granted to directors and officers.

(2) For purposes of computing the percentage of outstanding shares of common stock held by each person, any shares of common stock that such person has the right to acquire pursuant to the

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exercise of a stock option exercisable within 60 days is deemed to be outstanding, but is not deemed to be outstanding for the purpose of computing the percent ownership of any other person. In addition, for purposes of such calculation, Units (including vested LTIP Units) held by each person are treated as if such person had converted and held the related equivalent number of shares of common stock. With respect to the foregoing, the Company has assumed that all conditions required for all vested LTIP Units to be convertible into an equal number of common units have been satisfied.

- (3) Represents (a) 399,859 shares of common stock, including 396,238 shares of common stock owned directly, 614 shares of common stock owned through the Company's 401(k) plan and 3,007 shares of common stock held in trust for the benefit of his children, (b) 34,722 LTIP Units and (c) 422,500 exercisable options.
- (4) Represents 6,000 shares of common stock. Excludes 695 restricted stock units which were awarded under one of our existing stock option plans in lieu of a portion of the holder's director's fees and which are to be settled in an equal number of shares of common stock upon the holder's retirement from the Board of Directors.
- (5) Represents 6,000 shares of common stock. Excludes 695 restricted stock units which were awarded under one of our existing stock option plans in lieu of a portion of the holder's director's fees and which are to be settled in an equal number of shares of common stock upon the holder's retirement from the Board of Directors.
- (6) Represents (a) 7,466 shares of common stock and (b) options to purchase 7,500 shares of common stock. Excludes 1,485 restricted stock units which were awarded under one of our existing stock option plans and which are to be settled in an equal number of shares of common stock upon the holder's retirement from the Board of Directors. 695 of such restricted stock units were awarded in lieu of a portion of the holder's director's fees.
- (7) Represents (a) 5,449 shares of common stock and (b) options to purchase 7,500 shares of common stock. Excludes 2,065 restricted stock units which were awarded under one of our existing stock option plans and which are to be settled in an equal number of shares of common stock upon the holder's retirement from the Board of Directors. 1,275 of such restricted stock units were awarded in lieu of a portion of the holder's director's fees.
- (8) Represents (a) 10,966 shares of common stock and (b) options to purchase 31,500 shares of common stock. Excludes 790 restricted stock units which were awarded under one of our existing stock option plans in lieu of a portion of the holder's director's fees and which are to be settled in an equal number of shares of common stock upon the holder's retirement from the Board of Directors.
- (9) Represents 4,000 shares of common stock. Excludes 695 restricted stock units which were awarded under one of our existing stock option plans in lieu of a portion of the holder's director's fees and which are to be settled in an equal number of shares of common stock upon the holder's retirement from the Board of Directors.
- (10) Represents 4,676 shares of common stock.

### **Nominees for Election at 2005 Annual Meeting Term to Expire in 2006**

**Scott H. Rechler** has served as Chief Executive Officer and President since December 2003 and as Chairman of the Board since November 2004, served as Co-Chief Executive Officer of the Company from May 1999 until December 2003, serves as the Chairman of the Executive Committee of the Board and has served as a director of the Company since its formation. He served as President of the Company from February 1997 to May 2001 and served as Chief Operating Officer of the Company from its formation until May 1999. In addition, from the Company's formation until February 1997,



Mr. Rechler served as Executive Vice President of the Company. Mr. Rechler has been employed at Reckson since 1989. Mr. Rechler was the architect of Reckson's successful public offering in June 1995 and has led the Company from a Long Island based owner and developer to one of the largest office REITs in the New York tri-state area. Mr. Rechler has overseen in excess of \$3.0 billion in acquisitions and developments since joining the Company. Mr. Rechler is a member of the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"). Mr. Rechler is actively involved with the Real Estate Roundtable, for which he serves as Co-Chair of its political action committee. Since 1997 Mr. Rechler has served as Chief Executive Officer and Chairman of the Board of Directors of FrontLine Capital Group ("FrontLine"), and also served as the non-executive Chairman of the Board of Directors and as former interim executive officer of HQ Global Holdings, Inc., both companies that filed for protection from creditors under the Federal bankruptcy laws. Mr. Rechler is a Director of American Campus Communities, Inc. (NYSE: ACC). Mr. Rechler also serves as a member of the Board of Directors of the Long Island Children's Museum, the Tribeca Film Institute, the Association for a Better New York, and the Association for a Better Long Island. Mr. Rechler is a graduate of Clark University and received a Master's Degree in Finance with a specialization in real estate from New York University.

**Douglas Crocker II** has served as a director of the Company since 2004. Mr. Crocker was Chief Executive Officer, President and a Trustee of Equity Residential, the nation's largest apartment REIT, from 1993 to 2002, and also served as Vice Chairman of the Board. Mr. Crocker remains very active in the multifamily housing industry, serving on boards or committees of various multifamily housing associations. Mr. Crocker is a past Trustee of the Multifamily Council of the Urban Land Institute and former member of the Board of Governors of NAREIT. Mr. Crocker is a past chairman of the National Multi Housing Council and currently serves on the Advisory Board of the De Paul University Real Estate School. Mr. Crocker also serves as a director of the following companies in the real estate industry: Wellsford Real Properties, Inc., a real estate merchant banking firm; Ventas, Inc., a leading healthcare related REIT; Prime Group Realty Trust, an owner and operator of office and industrial properties; Post Properties, a multifamily REIT; and Acadia Realty Trust, a REIT which owns and operates shopping centers.

**Elizabeth McCaul** has served as a director of the Company since 2004. Ms. McCaul currently serves as a Partner and runs the New York office of Promontory Financial Group, a regulatory and financial consulting firm that specializes in risk management, crisis management, corporate governance and compliance, as well as strategic planning and mergers and acquisitions. From 1997 to 2003, Ms. McCaul served as the Superintendent of Banks of the State of New York where she was responsible for the supervision of some of the world's largest financial institutions with total assets of approximately \$2 trillion. Prior to being appointed as Superintendent, she served as First Deputy Superintendent and Chief of Staff. From 1985 through 1995, Ms. McCaul was an investment banker at Goldman Sachs & Co. Ms. McCaul has also served as Chairman of the Conference of State Bank Supervisors and participated in the Joint Forum for Financial Conglomerates. She has been an instructor on corporate governance at the Financial Stability Institute at the Bank for International Settlements in Basel, Switzerland and has assisted many financial institutions to meet their obligations under the Sarbanes-Oxley Act of 2002 and the USA Patriot Act. Ms. McCaul was also a leader in fighting predatory lending, where she proposed and adopted the first regulation addressing this issue, which became a national model for other states and Federal legislation. Ms. McCaul earned her Bachelor of Arts in Economics from Boston University.

**Ronald H. Menaker** has served as a director of the Company since 2002. From 1966 to 1999, Mr. Menaker worked for J.P. Morgan & Co. Incorporated, holding various positions, including President and a director of J.P. Morgan Services. At the time of his retirement on January 1, 1999, Mr. Menaker was a managing director and head of corporate services of J.P. Morgan & Co. Inc. of New York. In this capacity, Mr. Menaker had management responsibility for a \$500 million budget and 1,700 employees, including a range of administrative, support and operations functions for J.P. Morgan

companies. These functions included facilities management, real estate design and construction, corporate insurance and contingency planning, security services and investigations, health services, payroll and payment services, executive compensation, travel services, management services and operations. Mr. Menaker previously served as a director of Atalanta Sosnoff Capital Corp. He serves as a director of NYU Medical Center and Vice Chairman and director of NYU Downtown Hospital. He was formerly the Chairman of NYU Downtown Hospital. Mr. Menaker also serves as the Chairman of the American Kennel Club.

**Peter Quick** has served as the Company's lead independent director since 2003 and as a director of the Company since 2002. Mr. Quick has served as President of the American Stock Exchange and on its Board of Governors since July 2000. From 1982 to 2000, Mr. Quick worked for Quick & Reilly, Inc., a leading national discount brokerage firm, holding various positions, including President and Chief Executive Officer thereof. Mr. Quick is a director of the Securities Industry Automation Corporation. Mr. Quick serves as a director of St. Francis Hospital and Good Shepard Hospice and Fund for the Poor, Inc. He is a member of the National Selection Committee for the Jefferson Scholars Program of the University of Virginia and a Trustee of the Securities Industry Institute at the Wharton School of the University of Pennsylvania. Mr. Quick received a bachelor's degree in engineering from the University of Virginia and attended Stanford University's Graduate School of Petroleum Engineering. He was a lieutenant in the United States Navy, and served four years on active duty. Recognized for his personal and professional achievements, Mr. Quick received the prestigious Ellis Island Medal of Honor award in May 2001.

**Lewis S. Ranieri** has served as a director of the Company since 1997. Mr. Ranieri is the prime originator and founder of the Hyperion private equity funds ("Hyperion") and chairman and/or director of various other non-operating entities owned directly and indirectly by Hyperion. Mr. Ranieri also serves as Chairman, Chief Executive Officer and President of Ranieri & Co., Inc., a private investment advisor and management corporation, and is Chairman and a member of the Board of Directors of Hyperion Capital Management, Inc., a registered investment advisor. He is also Chairman of American Financial Realty Trust, Capital Lease Funding, Inc., Computer Associates International, Inc., Franklin Bank Corp. and Five Mile Capital Partners LLC, a private sponsor and manager of private investment funds. Prior to forming Hyperion, Mr. Ranieri had been Vice Chairman of Salomon Brothers, Inc. ("Salomon"). He is generally considered to be the "father" of the securitized mortgage market. Mr. Ranieri helped develop the capital markets as a source of funds for housing and commercial real estate, established Salomon's leadership position in the mortgage-backed securities area, and also led the effort to obtain Federal legislation to support and build the market. At Salomon, Mr. Ranieri had responsibility for the firm's activities in the mortgage, real estate and government-guaranteed areas. Regarded as an expert and innovator in both the mortgage and capital markets, Mr. Ranieri has served on the National Association of Home Builders Mortgage Roundtable continuously since 1989. In recognition of his dedication and lifelong achievements in the housing industry, Mr. Ranieri was inducted into the National Housing Hall of Fame. He is also a recipient of the lifetime achievement award given by the Fixed Income Analysts Society, Inc. and was subsequently inducted into the FIASI Hall of Fame for outstanding practitioners in the advancement of the analysis of fixed-income securities and portfolios. In November 2004, *BusinessWeek* magazine named him one of "the greatest innovators of the past 75 years." Mr. Ranieri acts as a trustee or director of Environmental Defense and The Metropolitan Opera Association and is Chairman of the Board of the American Ballet Theatre.

**John F. Ruffle** has served as a director of the Company since 2004. Mr. Ruffle retired as Vice Chairman and a Director of J.P. Morgan & Co. Incorporated on May 31, 1993, having served in this capacity since 1985, and as a member of the Corporate Office, the firm's senior policy and planning group. Mr. Ruffle served in a similar position in the firm's lead subsidiary, Morgan Guaranty Trust Company of New York. Mr. Ruffle joined Morgan in 1970 as Controller. In 1980, Mr. Ruffle became Chief Financial Officer. Earlier in his career, Mr. Ruffle had been with International Paper Company

as Assistant Treasurer and Director of Accounting, and with Price Waterhouse. Mr. Ruffle was a member of the Board of Trustees of the Financial Accounting Foundation from 1985 to 1990 and Chairman during his last two years. This Board offers oversight over the Financial Accounting Standards Board and Governmental Accounting Standards Board processes as well as selection of members and compensation. Mr. Ruffle was also a national past Chairman of the Board of the Financial Executives Institute and awarded a lifetime membership in the organization. In 1991, Mr. Ruffle received the Financial Executive's Institute's National Award for Distinguished Service to his profession. Mr. Ruffle was named by "Accounting Today," a national professional newspaper, as the Most Influential Accountant in America during the year 1990. Mr. Ruffle is a Director of several mutual funds in the JP Morgan Family of mutual funds as well as certain other investment funds managed by J.P. Morgan Investment Management Inc. Mr. Ruffle is also a Director of American Shared Hospital Services, Inc. and a member of the Board of Trustees of The Johns Hopkins University since 1990. In prior years, Mr. Ruffle has served as a member of the Board of Directors of many companies, including Bethlehem Steel Corporation, Wackenhut Corporation, Wackenhut Corrections Corp., Trident Corp., and Sallie Mae. Mr. Ruffle also serves as an Elder in the Presbyterian Church. Mr. Ruffle graduated from The Johns Hopkins University with a B.A. degree in 1958 and from Rutgers University with an M.B.A. in finance in 1963, the same year in which he became a Certified Public Accountant.

**Stanley Steinberg** has been a director of the Company since 2004. Mr. Steinberg currently serves as a Senior Advisor to the financial and management consulting firm of Casas, Benjamin & White, a division of Navigant Consulting, Inc. (NYSE: NCI). Mr. Steinberg formerly served as Chairman and Chief Executive Officer of Sony Retail Entertainment where he was responsible for the development and operation of major location-based retail entertainment centers, a major theater chain and Sony retail stores. Prior to joining Sony, Mr. Steinberg served as Executive Vice President and Chief Operating Officer of Walt Disney Imagineering, where he managed the development of over \$4.5 billion of theme parks. Prior to joining Disney, Mr. Steinberg served as Executive Vice President of the Portman Companies where he was responsible for the company operations and was directly involved in the design, development, financing and operation of numerous major hotels and mixed-used projects around the world including: Peachtree Center in Atlanta; Embarcadero Center in San Francisco; Marina Square in Singapore; and the New York Marriott Marquis Hotel at Times Square. Mr. Steinberg currently serves as a member of the Board of Directors of Electronics Boutique (NASDAQ: ELBO), a retailer of video game related hardware and software products and AmericasMart, Inc., one of the nation's largest wholesale marketplaces. Mr. Steinberg earned both Bachelor of Science and Bachelor of Architecture degrees from the Georgia Institute of Technology and a Master of Architecture from the Massachusetts Institute of Technology.

#### **Executive Officers Who Are Not Directors**

**Michael Maturo** has served as Executive Vice President, Chief Financial Officer and Treasurer of the Company since 1995. Mr. Maturo was named Chairman of the Company's Investment Committee in May 2004. Mr. Maturo oversees the Company's finance, accounting, treasury management, public reporting, capital markets, investor relations and strategic planning functions. Mr. Maturo also oversees the Company's investment functions and allocation of capital. During his tenure with the Company, Mr. Maturo has led the Company's efforts to obtain its investment grade rating and thereafter the issuance of \$800 million of senior unsecured notes. He also established a \$500 million unsecured corporate line of credit with a 14 member bank group. In addition, Mr. Maturo has led efforts to raise over \$2.0 billion of additional debt and equity capital during this time period. Mr. Maturo is a member of NAREIT. Prior to joining the Company, Mr. Maturo was a Senior Manager at E&Y Kenneth Leventhal Real Estate Group (formerly Kenneth Leventhal & Company), a public accounting and consulting firm. Mr. Maturo specialized in diverse phases of real estate finance, including corporate and property debt financings and recapitalization transactions. Mr. Maturo is a graduate of Seton Hall

University with a degree in accounting and finance and is a Certified Public Accountant. From 1998 to 2001, Mr. Maturo served as an executive officer and director of FrontLine, a company that filed for protection from creditors under the Federal bankruptcy laws in June 2002. Mr. Maturo is 43 years old.

**Jason M. Barnett** has served as Executive Vice President of the Company since May 1999, General Counsel of the Company since May 1997 and Secretary of the Company since 2003. Mr. Barnett joined the Company in 1996. Mr. Barnett is responsible for the coordination of all legal and compliance matters for the Company. Mr. Barnett has been involved in over \$2.5 billion of real estate transactions, including acquisitions, dispositions, joint ventures, and financings. Mr. Barnett has also been involved in approximately \$2.0 billion of public securities offerings on behalf of the Company. Prior to joining the Company, Mr. Barnett practiced as an associate in the corporate REIT practice area of Sidley Austin Brown & Wood LLP. While at Sidley Austin Brown & Wood LLP, Mr. Barnett participated in numerous corporate and real estate transactions involving publicly-held REITs, including initial public offerings, joint ventures and corporate and real estate acquisitions. Mr. Barnett holds a Bachelor of Arts degree from Clark University and a *Juris Doctor* from Emory University School of Law. Mr. Barnett is a member of the American Bar Association, a member of the Real Estate Board of New York, a member of NAREIT, and is involved in various industry related groups. Mr. Barnett is also a member of the Association of Small Claims Arbitors for the Civil Court of the City of New York. Mr. Barnett is admitted to the Bar of the State of New York. From 1998 to 2000, Mr. Barnett served as an executive officer of FrontLine, a company that filed for protection from creditors under the Federal bankruptcy laws in June 2002. Mr. Barnett is 36 years old.

**Salvatore Campofranco** has served as Executive Vice President and Chief Operating Officer of the Company since 2003. Mr. Campofranco served as the Senior Vice President and Managing Director of the Company's Westchester and Connecticut divisions from 1996 to 2003 where he was responsible for the leasing, acquisitions, construction and property management in the Company's Westchester County and Southern Connecticut Portfolio of office and industrial properties currently consisting of 4.8 million square feet in 32 properties. Mr. Campofranco has 16 years of experience in real estate finance and operations. Before joining the Company in 1996, Mr. Campofranco was Senior Vice President in charge of finance and operations for Towermarc Corporation. Prior to that, he was a manager with E&Y Kenneth Leventhal Real Estate Group (formerly Kenneth Leventhal & Company) in New York. He is a Certified Public Accountant in New York State and a graduate of Saint John's University, New York, with a B.S. in Accounting. He is also a member of the Executive Committee for the Board of Trustees for the Westchester Arts Council and The Westchester County Association, among other corporate and civic boards. Mr. Campofranco received the Westchester County Business Leader of the Year award for 2000. Mr. Campofranco is 47 years old.

**F. D. Rich III** has served as Executive Vice President and Chief Administrative Officer since 2003. Mr. Rich joined the Company in 1996 and has held numerous positions, including Senior Vice President and head of the Company's Southern Connecticut Division and Chief Information Officer. Mr. Rich has extensive real estate development and management expertise in office, housing and retail developments in various regions in the country and in the Caribbean. Prior to joining the Company, Mr. Rich was a senior vice president with the F. D. Rich Company (the "Rich Company") and responsible for its operations. Mr. Rich has had extensive involvement with the City of Stamford's urban renewal efforts and the development, construction and operations of commercial office space in downtown Stamford. Mr. Rich is a founding member of the Board of the Stamford Downtown Special Services District and past Chairman. Mr. Rich has also served on the boards of the Stamford Partnership and the Stamford Chamber of Commerce. Mr. Rich attended Marquette University, Utica College of Syracuse University and Loyola College, majoring in Business Administration. Mr. Rich is 49 years old.

**Philip Waterman III** has served as Executive Vice President, Chief Development Officer and Managing Director of the Company's New York City division since 2003. Mr. Waterman joined the

Company in 1999 as Managing Director of the Company's New York City division. Mr. Waterman is responsible for the Company's business activities in New York City. Prior to joining the Company, Mr. Waterman spent 12 years with Tishman Speyer Properties. He served as a Managing Director of Tishman Speyer Properties and sat on that company's Management Committee, which was responsible for investment and acquisition decisions. He was responsible for the oversight of Tishman Speyer's domestic leasing and marketing efforts for approximately 38 million square feet, including Rockefeller Center and the Chrysler Building in New York. Past responsibilities included oversight of Tishman Speyer's Los Angeles and San Francisco offices. He also spent two years in Tishman Speyer's Chicago office. Mr. Waterman received his B.A. from the University of Michigan. His professional affiliations include The Real Estate Board of New York, where he serves as a Governor; The Urban Land Institute; The Realty Foundation of New York where he serves as a Board Member; and The Young Men's and Women's Real Estate Association. His charitable affiliations include The Fresh Air Fund, where he sits on the Board of Directors, The Jeffrey Modell Foundation, where he serves as a Board Member, and The Downtown School, where he serves as a Board Member. Mr. Waterman is 38 years old.

### **The Board of Directors and Its Committees**

The Company is currently managed by an eight member Board of Directors, seven of whom are independent of the Company's management. Director independence was determined in accordance with the applicable corporate governance listing standards of the New York Stock Exchange. The Company has a policy in place whereby every three years at least one non-employee director (an "Independent Director") of the Company will have rotated off the Board.

The Company's corporate governance guidelines state that the retirement of a director should normally occur at the end of the term in which he or she reaches the age of 72, but there should be an opportunity for the Board, through the Nominating and Corporate Governance Committee, to review the appropriateness of continued service after such time. Stanley Steinberg, a Nominee for director at the Annual Meeting, turned 72 years of age in 2005. In accordance with the Company's aforementioned retirement policy, the Nominating and Corporate Governance Committee has determined that it would be appropriate for Mr. Steinberg to stand for re-election at the Annual Meeting and, if elected, to continue to serve as a director of the Company through the 2006 Annual Meeting of Stockholders.

The Board of Directors held seven meetings during fiscal year 2004. In addition, the Independent Directors of the Company held six executive sessions during fiscal year 2004 in which management directors did not participate. Executive sessions are held after each annual and quarterly meeting of the Board of Directors and otherwise when deemed necessary or appropriate.

Each of the directors attended at least 75% of the total number of meetings of the Board of Directors and of the Committees of the Company of which he or she was a member during 2004. It is the Board's policy that directors should attend the annual meeting. All of the members of the Board of Directors were present at the 2004 Annual Meeting of Stockholders.

*Lead Independent Director.* In May 2003, the Board created a new position of lead independent director, whose primary responsibility is to preside over the executive sessions of the Board in which management directors and other members of management do not participate. The lead independent director also advises the Chairman of the Board and, as appropriate, Committee chairs with respect to agendas and information needs relating to Board and Committee meetings, and performs other duties that the Board may from time to time delegate to assist the Board in the fulfillment of its responsibilities. Mr. Quick serves as the lead independent director of the Board.

*Audit Committee.* The Company has a standing Audit Committee consisting of John F. Ruffle, Elizabeth McCaul, Ronald H. Menaker and Peter Quick, each of whom is "independent" as defined in

the New York Stock Exchange's listing standards. Information regarding the functions performed by the Audit Committee is set forth in the "Audit Committee Report" included in this Proxy Statement. Mr. Ruffle currently serves as chairman of the Audit Committee. The Audit Committee held six meetings during fiscal year 2004.

The Board has determined that Mr. Ruffle qualifies as an "audit committee financial expert" as defined in the rules of the Securities and Exchange Commission ("SEC"). There is a brief listing of Mr. Ruffle's qualifications in his biography that appears under the heading "Information Regarding Nominees and Officers." As noted above, the Board has determined that Mr. Ruffle is independent of the Company and its management.

*Executive Committee.* Subject to the supervision and oversight of the Board of Directors, the Executive Committee, which consists of Scott H. Rechler, Peter Quick, Douglas Crocker II and Stanley Steinberg, has the authority to approve acquisitions, financings and dispositions by the Company and to authorize the execution of certain contracts and agreements, including those relating to the borrowing of money by the Company, and to exercise all such other powers as are appropriately delegated by the Board of Directors, except for those which require action by all directors or the Independent Directors under the Charter or Bylaws of the Company or under applicable law. Mr. Scott H. Rechler serves as chairman of the Executive Committee. The Executive Committee held seven meetings during fiscal year 2004.

*Compensation Committee.* The Company's Compensation Committee, which consists of Lewis S. Ranieri, Douglas Crocker II, Ronald H. Menaker and Stanley Steinberg, makes recommendations and exercises all powers of the Board of Directors in connection with compensation matters, including incentive compensation and benefit plans. The Compensation Committee also has authority to grant awards under the Company's stock option plans. The functions of the Compensation Committee also include ensuring that the Company has developed an executive management succession plan, and periodically reviewing and evaluating such plan, and furthering the professional development of the Company's senior executive officers. Mr. Ranieri serves as chairman of the Compensation Committee. All current members of the Compensation Committee are independent as defined in the rules of the New York Stock Exchange. The Compensation Committee held six meetings during fiscal year 2004.

*Disclosure Committee.* The Company's Disclosure Committee, which consists of all of the Company's executive officers as well as certain other officers of the Company, has responsibility for the development and assessment of the financial and non-financial information to be included in the reports filed by the Company with the SEC and assists the Company's Chief Executive Officer and Chief Financial Officer in connection with their certifications contained in the Company's periodic reports. The Disclosure Committee reports to the Audit Committee on a quarterly or more frequent basis. The Disclosure Committee held six meetings during fiscal year 2004.

*Nominating and Corporate Governance Committee.* The functions of the Nominating and Corporate Governance Committee are to assist the Board in promoting the best interests of the Company and its stockholders through the implementation of sound corporate governance principles and practices. The Nominating and Corporate Governance Committee is also responsible for (i) identifying individuals qualified to become Board members, consistent with criteria approved by the Board, and recommending to the Board the director nominees for the next annual meeting of stockholders, (ii) developing and recommending to the Board a set of corporate governance principles applicable to the Company and (iii) overseeing the evaluation of the Board and the Company's management.

Each of Ronald H. Menaker, Douglas Crocker II, Elizabeth McCaul, Peter Quick, Lewis S. Ranieri, John F. Ruffle and Stanley Steinberg currently serves as a member of the Nominating and Corporate Governance Committee. Mr. Menaker serves as chairman of the Nominating and Corporate

Governance Committee. All current members of the Nominating and Corporate Governance Committee are independent as defined in the rules of the New York Stock Exchange.

The Nominating and Corporate Governance Committee has a charter which is available and can be viewed and downloaded from the Company's website at [www.reckson.com](http://www.reckson.com). The Company's corporate governance guidelines are also available and can be viewed and downloaded from the Company's website at [www.reckson.com](http://www.reckson.com). Copies of the charter, as well as the corporate governance guidelines, are available to stockholders free of charge on request to the Company's Secretary, Reckson Associates Realty Corp., 225 Broadhollow Road, Melville, New York 11747.

The Nominating and Corporate Governance Committee will consider appropriate nominees for director whose names are submitted in writing by a stockholder of the Company. Nominations must be addressed to Reckson Associates Realty Corp., 225 Broadhollow Road, Melville, New York 11747, Attn: Jason M. Barnett, Secretary, indicating the nominee's qualification and other relevant biographical information and providing confirmation of the nominee's consent to serve as director. In order to be considered for the next annual election of directors, any such written request must comply with the requirements set forth in the Bylaws of the Company and below under "Stockholder Proposals and Nominations for 2006 Annual Meeting." The Company has not made any material changes to these procedures since their implementation.

The Nominating and Corporate Governance Committee held three meetings during the fiscal year 2004. The Nominating and Corporate Governance Committee meets in executive session following each annual and quarterly meeting of the Board and otherwise when deemed necessary or appropriate.

The Nominating and Corporate Governance Committee reviews with the Board on an annual basis the appropriate skills and characteristics required of Board members in the context of the then-current composition of the Board. This assessment includes, in addition to qualities of intellect, integrity and judgment, business experience and knowledge, reputation and character, issues of diversity, relevant industry and trade association knowledge and participation, accounting and financial expertise, public company experience, willingness and ability to devote the time and effort required to effectively serve on the Board and relevant legal and regulatory qualifications. The Nominating and Corporate Governance Committee makes this determination in the context of an assessment of the perceived needs of the Board at that point in time. The Nominating and Corporate Governance Committee evaluates all nominees for director based on these criteria, including nominees recommended by stockholders.

All Nominees for director at the 2005 Annual Meeting currently serve as directors of the Company.

The Nominating and Corporate Governance Committee considers nominees for the Board from any reasonable source, including current Board members, stockholders or other persons. While the Nominating and Corporate Governance Committee has the ability to retain a third party to assist in the nomination process, the Company has not paid a fee to any third party to identify or assist in identifying or evaluating potential nominees.

*Pricing Committee.* The Company's Pricing Committee consists of Douglas Crocker II, Peter Quick, Lewis S. Ranieri and Scott H. Rechler. The Pricing Committee is designated from time to time and as needed to consider the price at which securities of the Company may be offered. The Pricing Committee held five meetings during the fiscal year 2004. Mr. Crocker serves as chairman of the Pricing Committee.

#### **Director Independence**

The Board has determined that all of the Company's directors, with the exception of Mr. Scott H. Rechler (the Company's Chairman of the Board, Chief Executive Officer and President), have met the

independence requirements of the New York Stock Exchange, based upon the application of objective categorical standards adopted by the Board. In making a determination regarding a director's independence, the Board considers all relevant facts and circumstances, including the director's commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, and such other criteria as the Board may determine from time to time. In accordance with the Company's corporate governance guidelines, a director who satisfies all of the following criteria will be determined to be an Independent Director of the Company:

- (i) The director is not a current employee of the Company and has not been an employee of the Company within the preceding three years (other than in the capacity as a former interim Chairman or Chief Executive Officer);
- (ii) No immediate family member is currently an executive officer of the Company, and has not been such within the preceding three years;
- (iii) The director (other than in the capacity of a former interim Chairman or Chief Executive Officer), and any immediate family member of the director acting in the capacity of an executive employee, did not receive more than \$100,000 in a twelve month period in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), within the preceding three years;
- (iv) The director was not affiliated with or employed by a present or former (internal or external) auditor of the Company and no immediate family member of the director was affiliated with or employed in a professional capacity by a present or former (internal or external) auditor of the Company, within the preceding three years;
- (v) Neither the director nor an immediate family member of the director was employed as an executive officer of another company where any of the Company's present executives served on that company's compensation committee within the preceding three years;
- (vi) The director is not a current executive officer or employee, and no immediate family member of the director is a current executive officer, of another company that made payments to or received payments from the Company for property or services in an amount which, in any of the preceding three fiscal years, exceeded the greater of \$1 million or two percent (2%) of such other company's consolidated gross revenues (based on those revenues reported in the applicable fiscal year);
- (vii) The director is not an executive officer of another company which is indebted to the Company or to which the Company is indebted, in an amount greater than five percent (5%) of such other company's total consolidated assets at the end of the last completed fiscal year; and
- (viii) The director does not serve as an executive officer of any charitable organization to which the Company has made payments in any of the preceding three years of the greater of \$1 million or two percent (2%) of such charitable organization's consolidated gross revenues (based on those revenues reported in the applicable fiscal year).

Direct or indirect ownership of even a significant amount of Company stock by a director who may otherwise be determined to be independent as a result of the application of the foregoing standards may not bar an independence finding as to such director.



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For purposes of the foregoing, an "immediate family member" is defined as a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than an employee) who shares such person's home. Individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated, are not taken into consideration with respect to the determination of a director's independence.

### Director Compensation

Each Independent Director of the Company receives an annual director's fee of \$30,000 (\$45,000 in the case of the lead independent director). Each Independent Director also receives \$1,500 for each quarterly and special meeting of the Board of Directors attended in person or via teleconference. Each Independent Director receives \$1,000 for each Committee meeting attended in person or via teleconference, except that members of the Audit Committee receive \$2,000 for each Audit Committee meeting attended in person or via teleconference. Certain directors have made an election to receive, in lieu of cash payments, a portion of his or her director's fees in the form of restricted stock units, which are to be settled in an equal number of shares of common stock upon the director's retirement from the Board of Directors. The restricted stock units, which were issued under one of our existing stock option plans, are not transferable while such Independent Director remains a director of the Company.

Each Independent Director appointed or elected to the Board for the first time receives 1,000 shares of restricted common stock or (at his or her election) restricted stock units on his or her date of appointment or election. In addition, following each annual meeting of stockholders, each of the Company's Independent Directors receives a number of shares of restricted common stock or (at his or her election) restricted stock units having a fair market value of \$20,000 on the date of grant (\$30,000 in the case of the lead independent director); provided, however, that an Independent Director who is appointed or elected to the Board for the first time is not eligible to receive this award for the initial year of his or her appointment. The actual number of shares of restricted common stock or restricted stock units that we will grant will be determined by dividing the fixed value of the grant by the closing price of our common stock on the New York Stock Exchange on the grant date. All shares of restricted common stock or restricted stock units granted to the Independent Directors vest immediately. However, no shares of restricted common stock or restricted stock units granted to an Independent Director are transferable by such Independent Director while such Independent Director remains a director of the Company. Awards issued in the form of restricted stock units are to be settled in an equal number of shares of common stock upon the Independent Director's retirement from the Board of Directors.

In accordance with the foregoing, on June 9, 2004, each of Messrs. Menaker, Quick and Ranieri was granted 790 restricted stock units. The closing price of the Company's common stock on the New York Stock Exchange on June 9, 2004 was \$25.30 per share. The restricted stock units were granted under one of our existing stock option plans. Because the Company's existing stock option plans were adopted prior to the Company's establishment of the lead independent director position, such plans do not contemplate the grant to the lead independent director of an additional number of shares of restricted common stock or restricted stock units having a fair market value of \$10,000 on the date of grant. As a result, the Company was unable to award Mr. Quick, the Company's lead independent director, such additional number of shares or restricted stock units, and instead awarded him an additional \$10,000 in cash compensation, a portion of which he elected to receive, in lieu of cash payments, in the form of restricted stock units. The Company's 2005 Stock Option Plan, stockholder approval for which is being sought at the Annual Meeting (see "Proposal 3: Approval of the 2005 Stock Option Plan"), provides for the annual grant to the lead independent director of an additional number of shares of restricted common stock or (at his or her election) restricted stock units having a fair

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market value of \$10,000 on the date of grant. Moreover, each Independent Director initially appointed to the Board in 2004 (*i.e.*, Messrs. Crocker, Ruffle and Steinberg and Ms. McCaul) was granted 1,000 shares of restricted common stock on the date of his or her appointment. These shares were granted under one of our existing stock option plans.

### **Communication with the Board of Directors**

The Company has a process for handling letters received by the Company and addressed to the Board of Directors or members of the Board. Through this process, any person, including our stockholders, may communicate directly with the Chairman of the Board, the lead independent director or with any individual Board member, or the entire Board, a Committee of the Board or the Independent Directors as a group, at any time. You may contact the Company's Board or specific members thereof (i) via U.S. mail by writing to Board of Directors, Reckson Associates Realty Corp., 225 Broadhollow Road, Melville, New York 11747 or (ii) via e-mail using the following e-mail address: *BoardofDirectors@reckson.com*.

### **Code of Business Conduct and Ethics**

The Company has a code of business conduct and ethics, which is designed to promote honest and ethical conduct and deter wrongdoing at all levels of the Company's organization. All employees, officers and directors of the Company are bound by the code of business conduct and ethics. In addition to the code of business conduct and ethics, the Chief Financial Officer, Chief Accounting Officer and other senior financial officers that hold significant positions of leadership and trust at the Company must set an exemplary standard of conduct for the Company as described in the CFO and senior financial officers' code of conduct. A copy of each code is available on the Company's website at *www.reckson.com*. To request a copy via U.S. mail you may write to Jason M. Barnett, Corporate Secretary, Reckson Associates Realty Corp., 225 Broadhollow Road, Melville, New York 11747.

**PROPOSAL 2: APPROVAL OF AMENDMENT TO THE CHARTER  
TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK OF THE  
COMPANY FROM 100,000,000 TO 200,000,000**

Article VI, Section 1 of the Company's Charter currently provides the Company with the authority to issue 100,000,000 shares of common stock, par value \$0.01 per share, 25,000,000 shares of preferred stock, par value \$0.01 per share, and 75,000,000 shares of excess stock, par value \$0.01 per share. The Board of Directors has determined that the Charter should be amended to increase the number of authorized shares of common stock of the Company from 100,000,000 to 200,000,000. In furtherance of this purpose, the Board has unanimously adopted a resolution approving the amendment and declaring its advisability and recommending such amendment to our stockholders.

As of March 21, 2005, the Company had 81,628,943 shares of common stock issued and outstanding and had reserved 6,137,657 shares of common stock for issuance upon the redemption of Units (including LTIP Units, as defined herein) in the Operating Partnership, and in connection with the Company's various stock option plans. This leaves approximately 12.2 million authorized but unissued shares of common stock available for future use.

The Board of Directors believes that an increase in the number of authorized shares of common stock is necessary to provide the Company with additional financial flexibility to meet its future business needs. For example, during 2004 the Company was able to strengthen its balance sheet by timely accessing the public equity markets by issuing an aggregate of 15 million shares of common stock for proceeds (before underwriting discounts and expenses) of approximately \$436.2 million in three separate public offerings. If the proposed amendment is approved by our stockholders, the Company will have additional shares available for acquisitions, equity financings, stock option plans, stock dividends or stock splits, the reduction of indebtedness and other corporate purposes. The additional shares would be available for issuance without further stockholder approval, except as may be required by applicable law or the rules of the New York Stock Exchange. Although the Company does not have any commitment or understanding at this time for the issuance of additional shares of common stock (other than as permitted or required under the Operating Partnership's Amended and Restated Agreement of Limited Partnership, dated as of June 2, 1995, as amended, or the Company's stock option plans), the proposed amendment should enable the Company to take timely advantage of favorable opportunities and market conditions when they arise.

In accordance with the Company's Charter, the Board of Directors is permitted to reclassify any unissued shares of common stock, including the additional 100,000,000 shares of common stock for which authorization is sought, from time to time in one or more classes or series of stock. The additional 100,000,000 shares of common stock for which authorization is sought would not (and the shares of common stock currently outstanding do not) entitle holders thereof to preemptive rights.

The issuance of additional shares of common stock could have a dilutive effect on earnings per common share and on the equity and voting power of those holding shares of common stock at the time of issuance. In addition, the proposed amendment could have an anti-takeover effect, as additional shares of common stock could be issued to dilute the stock ownership and voting power of, or increase the cost to, a person seeking to obtain control of the Company. However, the amendment to our Charter is not being proposed for such purposes and is not in response to any known effort to accumulate shares of common stock or obtain control of the Company.

The text of the proposed amendment to our Charter is attached as Annex A to this Proxy Statement.

**The Board unanimously recommends a vote FOR the approval of the amendment to the Company's Charter to increase the number of authorized shares of common stock of the Company from 100,000,000 to 200,000,000.**

**PROPOSAL 3: APPROVAL OF THE 2005 STOCK OPTION PLAN**

Subject to stockholder approval, the Board of Directors approved the adoption of the Company's 2005 Stock Option Plan (the "2005 Stock Option Plan"), under which 2,000,000 shares of the Company's common stock will be reserved for issuance. The Board is asking the Company's stockholders to approve the 2005 Stock Option Plan so that the Company may continue to provide incentives for management of the Company, including non-executive officers and directors. In addition, our Compensation Committee has the right to issue shares of common stock in lieu of the payment of cash to satisfy the Company's obligations, if any, under the Special Outperformance Award (as defined herein) pursuant to the Company's Long-Term Incentive Plan described under "Executive Compensation Report on Executive Compensation." The Board of Directors also approved the adoption of the 2005 Stock Option Plan in order to provide the Compensation Committee with the flexibility to pay such awards in common stock if the targets for the Special Outperformance Award are satisfied.

The Company has not adopted an option plan since 2002 and believes that the 2005 Stock Option Plan is important in order to attract, retain and motivate key managers and other personnel in a highly competitive marketplace. These incentives are designed to align the interests of management and stockholders in order to maximize stockholder value. The 2005 Stock Option Plan will not become effective until it is approved by the Company's stockholders. In the event that the 2005 Stock Option Plan is not approved, the Company intends to continue to grant stock-based awards with respect to shares that remain available under its existing stock option plans.

As of March 21, 2005, the Company had unexercised options outstanding under its existing plans with respect to 1,886,860 shares at a weighted average exercise price of \$24.67 per share and a weighted average remaining contractual life of approximately 3.3 years. Of this amount, options in respect of 906,860 shares were held by persons other than the Named Executive Officers (as defined herein). Under the Company's existing plans, an aggregate of 475,391 shares were available for future awards and 830,024 shares were reserved for future issuance (including the outstanding LTIP Units), of which 217,910 shares were reserved for persons other than the Named Executive Officers. In the aggregate, outstanding unexercised options, together with shares available for future awards and shares reserved for future issuance under our existing plans, total 3,192,275 shares and represent approximately 3.8% of our total outstanding shares of common stock and Units (including LTIP Units) as of March 21, 2005. Including the 2,000,000 shares proposed to be reserved for issuance under the 2005 Stock Option Plan, the aggregate outstanding unexercised options, together with shares available for future awards, would represent approximately 6.0% of our total outstanding shares of common stock and Units (including LTIP Units) as of March 21, 2005. The closing price of our shares of common stock on the New York Stock Exchange on March 21, 2005 was \$31.36. At that time, the aggregate fair market value of the 2,000,000 shares of common stock proposed to be reserved for purposes of the 2005 Stock Option Plan was \$62,720,000.

The 2005 Stock Option Plan is being presented to stockholders for approval in compliance with requirements of the New York Stock Exchange and in order to satisfy certain regulatory requirements regarding the Plan.

The following is a description of the 2005 Stock Option Plan, which description is subject to and qualified by the complete text of the 2005 Stock Option Plan, which is included as Annex B to this Proxy Statement.

*General.* The 2005 Stock Option Plan will be administered by the Compensation Committee of the Board of Directors. All current members of the Compensation Committee are independent as defined in the rules of the New York Stock Exchange and in accordance with the Company's corporate governance guidelines. Officers and employees of the Company and its subsidiaries (constituting approximately 290 persons as of March 21, 2005) generally will be eligible to participate in the 2005

Stock Option Plan. Independent Directors of the Company (constituting seven persons as of March 21, 2005) will be eligible to receive automatic grants of restricted common stock or restricted stock units on an annual basis, as well as other discretionary grants of restricted common stock or restricted stock units, under the 2005 Stock Option Plan. The total cumulative amount of discretionary grants to Independent Directors will be limited to 10% of the shares authorized for grant under the 2005 Stock Option Plan.

The 2005 Stock Option Plan authorizes (i) the grant of stock options that qualify as incentive stock options ("ISOs") under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), (ii) the grant of stock options that do not so qualify ("NQSOs"), (iii) the grant of shares of common stock subject to certain restrictions on transfer and certain risks of forfeiture ("restricted stock"), (iv) the grant of unrestricted shares of common stock, (v) the grant of restricted stock units, which represent the right to receive either (a) an amount of cash equal to the fair market value of an equal number of shares of common stock or (b) an equal number of shares of common stock, as determined by the Compensation Committee, and (vi) the grant of units of a special class of partnership interests in the Operating Partnership ("LTIP Units"). See "Executive Compensation Report on Executive Compensation" for additional information on LTIP Units. The 2005 Stock Option Plan also authorizes the grant of such other awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, shares of common stock as are deemed by the Compensation Committee to be consistent with the purposes of the 2005 Stock Option Plan. No award granted under the 2005 Stock Option Plan will be assignable or transferable, other than by will or by the laws of descent and distribution.

The Board may at any time and from time to time suspend, discontinue or amend the 2005 Stock Option Plan. However, (i) no such amendment may impair any rights under any award previously made without the consent of the grantee of such award, (ii) except as and to the extent otherwise permitted by the terms of the 2005 Stock Option Plan, no such amendment may cause the 2005 Stock Option Plan to fail to satisfy any applicable regulatory requirement without stockholder approval, and (iii) to the extent required to meet the requirements of any national securities exchange or system on which the shares of common stock are then listed or reported, stockholder approval will be necessary for any amendment that constitutes a material revision to the 2005 Stock Option Plan. The 2005 Stock Option Plan will terminate on the earlier to occur of (i) ten years after the date on which it is approved by the Company's stockholders or (ii) such other date as the Board may determine.

*Stock Options Awards.* The Compensation Committee may grant stock options in such amounts and on the terms and conditions as the Compensation Committee may determine, subject to the terms of the 2005 Stock Option Plan. The exercise price of stock options may not be less than 100% of the fair market value of the shares of common stock on the date of grant. The Compensation Committee will determine the time or times at which and the conditions under which stock options may be exercisable. In any calendar year, a person eligible for awards under the 2005 Stock Option Plan may not be granted options covering more than 250,000 shares of common stock. The 2005 Stock Option Plan prohibits the re-pricing of option grants thereunder. The term of each stock option may not exceed ten years from the date the option is granted.

*Other Stock-Based Awards.*

Discretionary Awards. Under the 2005 Stock Option Plan, the Compensation Committee may grant awards of restricted stock, unrestricted shares of common stock, restricted stock units, LTIP Units and rights to dividends and dividend equivalents, as well as such other awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, shares of common stock, in such amounts and on the terms and conditions as the Compensation Committee may determine, subject to the terms of the 2005 Stock Option Plan. The total cumulative amount of

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discretionary grants to Independent Directors will be limited to 10% of the shares authorized for grant under the 2005 Stock Option Plan.

**Non-Discretionary Awards.** The 2005 Stock Option Plan provides that each Independent Director appointed or elected to the Board for the first time shall automatically be granted 1,000 shares of restricted stock or (at his or her election) restricted stock units on his or her date of appointment or election. Further, each Independent Director who is serving as a director on the fifth business day after each annual meeting of stockholders shall, on such day, automatically be granted a number of shares of restricted stock or (at his or her election) restricted stock units having a fair market value of \$20,000 on the date of grant (\$30,000 in the case of the lead independent director); provided, however, that an Independent Director who is appointed or elected to the Board for the first time shall not be eligible to receive restricted stock or restricted stock units pursuant to this sentence for the year of his or her initial appointment or election.

**Certain Federal Income Tax Consequences of the 2005 Stock Option Plan.** The following is a brief summary of the principal Federal income tax consequences of the grant of (i) stock options, (ii) unrestricted shares of common stock, (iii) restricted stock, (iv) restricted stock units and (v) LTIP Units under the 2005 Stock Option Plan. The summary is based upon current Federal income tax laws and interpretations thereof, all of which are subject to change at any time, possibly with retroactive effect. This summary is not intended to be exhaustive and, among other things, does not describe state, local or foreign tax consequences.

**Stock Options.** A participant is not subject to Federal income tax either at the time of grant or at the time of exercise of an ISO. However, upon exercise, the difference between the fair market value of the common stock and the exercise price is an item of tax preference subject to the possible application of the alternative minimum tax. If a participant does not dispose of common stock acquired through the exercise of an ISO in a "disqualifying disposition" (*i.e.*, no disposition occurs within two years from the date of grant of the share option nor within one year of the transfer of the common stock to the participant), then the participant will be taxed only upon the gain, if any, from the sale of such common stock, and such gain will be taxable to the participant as gain from the sale of a capital asset. The Company will not receive any tax deduction on the exercise of an ISO or, if the above holding period requirements are met, on the sale of the underlying common stock. If there is a disqualifying disposition (*i.e.*, one of the holding period requirements is not met), the participant will be treated as receiving compensation subject to ordinary income tax in the year of the disqualifying disposition and the Company will be entitled to a deduction for compensation expense in an amount equal to the amount included in income by the participant. The participant generally will be required to include in income an amount equal to the difference between the fair market value of the common stock at the time of exercise and the exercise price. Any appreciation in value after the time of exercise will be taxable to the participant upon the sale of the common stock as capital gain and will not result in any deduction by the Company.

If NQSOs are granted to a participant, there are no Federal income tax consequences at the time of grant. Upon exercise of the option, the participant must report as ordinary income an amount equal to the difference between the exercise price and the fair market value of the common stock on the date of exercise. The Company will receive a tax deduction in like amount. Any appreciation in value after the time of exercise will be taxed as capital gain and will not result in any deduction by the Company.

**Unrestricted Shares of Common Stock.** If a participant is granted unrestricted shares of common stock, such participant will have compensation income at the time of grant equal to the fair market value of such shares. The Company will receive a tax deduction in the amount of the income recognized by the participant.

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*Restricted Stock.* A participant who is awarded restricted stock that is subject to a substantial risk of forfeiture (as defined in the Code) will not be taxed at the time of the grant unless the participant makes a special election under Section 83(b) of the Code. Assuming that no such election is made, the Company will receive no tax deduction at the time of the grant. Upon the lapse of the substantial risk of forfeiture associated with the restricted stock, a participant will recognize ordinary income equal to the fair market value of the restricted stock at the time of the lapse. At the same time, the Company will receive a tax deduction in the amount of ordinary income recognized by a participant.

If a participant makes an election under Section 83(b) of the Code or if the restricted stock is subject to restrictions that do not comprise a substantial risk of forfeiture, he or she will recognize ordinary income in an amount equal to the fair market value of the restricted stock at the time of the grant (determined without regard to any restrictions which may lapse). The Company will receive a tax deduction in an equal amount at the same time. No additional income tax will be payable by a participant (and no additional deduction will be taken by the Company) upon lapse of the restrictions.

*Restricted Stock Units.* A participant generally will not be taxed at the time restricted stock units are granted. A participant will be subject to employment tax when the restricted stock units are no longer subject to a substantial risk of forfeiture and to income tax withholding when paid in cash or shares of common stock. In addition, dividend equivalents paid to a participant with respect to restricted stock units will be subject to tax as ordinary income at the time of receipt of such cash. Generally, the Company will receive a tax deduction that corresponds in time and amount to the recognition of ordinary income by a participant.

*LTIP Units.* A participant generally should not be taxed at the time LTIP Units are granted or become vested, but should recognize capital gain or loss upon the disposition of such LTIP Units. The Company will not receive any tax deductions relating to the granting or vesting of the LTIP Units. Profits allocated to the holders of LTIP Units should be treated as a distributive share of the profits of the Operating Partnership and reduce the profits of the Operating Partnership allocable to the Company and the remaining partners, if any.

### *New Plan Benefits Reckson Associates Realty Corp. 2005 Stock Option Plan*

The New Plan Benefits Table below sets forth the awards that will be granted under the 2005 Stock Option Plan through 2008 to the following: (i) each Named Executive Officer; (ii) the executive officers of the Company as a group; (iii) the Independent Directors of the Company as a group; and (iv) the non-executive officer employees of the Company as a group. Specifically, the table sets forth the total number of shares of restricted stock or restricted stock units that would be granted in the future pursuant to the nondiscretionary portion of the 2005 Stock Option Plan to Independent Directors through 2008, assuming the current seven Independent Directors remain directors through such period and assuming no additional discretionary grants are made to the Independent Directors under the 2005 Stock Option Plan during such period. On the fifth business day after each annual meeting of stockholders during the term of the 2005 Stock Option Plan, each such Independent Director who is acting as a director on such date will receive a grant of a number of shares of restricted stock or (at his or her election) restricted stock units having a fair market value of \$20,000 on the date of grant (\$30,000 in the case of the lead independent director), assuming no additional discretionary grants are made to the Independent Directors on such date. All other awards under the

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2005 Stock Option Plan are dependent on the election or appointment of new Independent Directors or are discretionary and therefore are not currently determinable.

Name and Principal Position	Dollar Value of Grants from 2005 to 2008 (\$)	Number of Units Under the Plan
Scott H. Rechler: Chairman of the Board, Chief Executive Officer and President	*	*
Michael Maturo: Executive Vice President, Chief Financial Officer and Treasurer	*	*
Jason M. Barnett: Executive Vice President, Secretary and General Counsel	*	*
Salvatore Campofranco: Executive Vice President and Chief Operating Officer	*	*
Philip Waterman III: Executive Vice President, Chief Development Officer and Managing Director, New York City Division	*	*
Executive Group	*	*
Independent Director Group	600,000(1)	(2)
Non-Executive Officer Employee Group	*	*

\*  
Not currently determinable.

(1)  
Assumes six Independent Directors are awarded \$20,000 of restricted stock or restricted stock units annually and one lead independent director is awarded \$30,000 of restricted stock or restricted stock units annually.

(2)  
The actual number of shares or units awarded to the Independent Directors will be determined by dividing the fixed value of the grant by the closing price of our common stock on the New York Stock Exchange on the grant date.

**The Board unanimously recommends a vote FOR the approval of the 2005 Stock Option Plan.**



## EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth the Company's stock option plan information at December 31, 2004:

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a))(2)
Stock option plans approved by security holders	2,337,146	\$ 23.77	980,713
Stock option plan not approved by security holders(1)	43,750	\$ 23.92	169,586
<b>Total</b>	<b>2,380,896</b>	<b>\$ 23.78</b>	<b>1,150,299</b>

(1)

Includes information relating to the Company's 1996 Employee Stock Option Plan (the "1996 Plan"). The 1996 Plan was adopted by the Board of Directors on November 7, 1996, and provides for the grant of awards of up to an aggregate of 200,000 shares of common stock. The 1996 Plan is administered by the Compensation Committee. Existing officers and directors of the Company are not eligible to participate in the 1996 Plan. The 1996 Plan authorizes (i) the grant of stock options that qualify as incentive stock options under Section 422 of the Code, (ii) the grant of "nonqualified" stock options, (iii) the grant of shares of common stock subject to certain restrictions on transfer and certain risks of forfeiture, and (iv) grants of unrestricted shares of common stock. The exercise price of stock options is determined by the Compensation Committee, but may not be less than 100% of the fair market value of the shares of common stock on the date of grant. In any calendar year, a person eligible for awards under the 1996 Plan may not be granted options covering more than 75,000 shares of common stock. The 1996 Plan shall terminate 10 years after its effective date. Additional information related to the 1996 Plan is set forth in the Company's consolidated financial statements and the notes thereto that are part of the Company's Form 10-K for the year ended December 31, 2004.

(2)

In March 2005, the Company granted an aggregate of 272,100 LTIP Units to the Named Executive Officers and certain other senior officers, further reducing the number of shares of common stock available for future awards under the Company's existing stock option plans. The terms of these grants of LTIP Units, which are subject to time and performance-based vesting, are discussed under the caption "Executive Compensation Report on Executive Compensation."

**PROPOSAL 4: RATIFICATION OF SELECTION OF  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee has selected the accounting firm of Ernst & Young LLP to serve as independent registered public accounting firm of the Company for the fiscal year ending December 31, 2005, subject to ratification of this appointment by the stockholders of the Company. Ernst & Young LLP has served as the Company's independent registered public accounting firm since the Company's formation in September 1994 and is considered by management of the Company to be well qualified. The Company has been advised by that firm that neither it nor any member thereof has any financial interest, direct or indirect, in the Company or any of its subsidiaries in any capacity. A representative of Ernst & Young LLP will be present at the Annual Meeting, will be given the opportunity to make a statement if he or she so desires and will be available to respond to appropriate questions.

Ernst & Young LLP's fees for providing services to the Company in 2004 and 2003 were as follows: