

Section 1: 8-K (VORNADO REALTY TRUST)

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As filed with the Securities and Exchange Commission on March 17, 1999

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (date of earliest event reported): March 3, 1999

Commission File Number: 1-11954

VORNADO REALTY TRUST
(Exact name of registrant as specified in its charter)

MARYLAND
(State or other jurisdiction of incorporation)

PARK 80 WEST, PLAZA II, SADDLE BROOK, NEW JERSEY
(Address of principal executive offices)

22-1657560
(I.R.S. employer
identification number)
07663
(Zip Code)

(201) 587-1000
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

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ITEMS 1 - 4. NOT APPLICABLE.

ITEM 5. OTHER EVENTS.

VORNADO INCREASES INVESTMENT IN CHARLES E. SMITH COMMERCIAL REALTY L.P. TO 34%

As of March 3, 1999 Vornado Realty Trust made an additional \$242 million investment in Charles E. Smith Commercial Realty L.P. ("Smith") by contributing to Smith the land under certain Smith office properties in Crystal City, Arlington, Virginia and partnership interests in certain Smith subsidiaries. Vornado acquired these assets from Commonwealth Atlantic Properties, Inc. ("CAPI"), an affiliate of Lazard Freres Real Estate Investors L.L.C., immediately prior to the contribution to Smith. Together with Vornado's investment in Smith made in 1997 and the units it is reacquiring today from Vornado Operating Company, Vornado now owns approximately 34% of Smith's limited partnership units. In addition, Vornado acquired from CAPI for \$8 million the land under a Marriott Hotel located in Crystal City.

The purchase price was paid to CAPI by Vornado issuing \$250 million of 6% Convertible Preferred Units of Vornado's operating partnership. The Preferred Units are convertible at \$44 per unit and the coupon increases to 6.50% over the next three years and then fixes at 6.75% in year eight. Vornado will appoint one of three members to the Smith Board of Managers, increasing under certain circumstances to two of four members in March 2002.

In connection with these transactions, Vornado agreed to make a five-year \$41 million loan to CAPI with interest at 8%, increasing to 9% ratably over the term. The loan will be secured by approximately \$55 million of the Vornado units issued to CAPI as well as certain real estate assets.

Smith owns interests in a total of 10.7 million square feet of office properties in Northern Virginia and Washington, D.C., and manages an additional 14.6 million square feet of office and other commercial properties in the Washington, D.C. area.

VORNADO INCREASES INVESTMENT IN NEWKIRK JOINT VENTURES

In March 1999, Vornado and its joint venture partner in the Newkirk Joint Ventures completed an acquisition of additional equity interests in various limited partnerships which own real estate. Vornado has an approximately 30% interest in the Newkirk Joint Ventures. Vornado's investment was approximately \$52 million, consisting of units of limited partnership interest in Vornado Realty, L.P. valued at approximately \$47.3 million and approximately \$4.6 million in cash.

VORNADO AGREES TO SELL SERIES B PREFERRED SHARES IN PUBLIC OFFERING

On March 12, 1999, Vornado Realty Trust and Vornado Realty L.P. entered into an underwriting agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated, PaineWebber Incorporated, Prudential Securities Incorporated and Salomon Smith Barney Inc., as representatives of the several underwriters named in the underwriting agreement, relating to the issuance and sale by Vornado of an aggregate of 3 million 8.5% Series B Cumulative Redeemable Preferred Shares, liquidation preference \$25.00 per share, no par value (the "Series B Preferred Shares"), of Vornado for an aggregate purchase price of approximately \$72.6 million. The issuance and sale of the Series B Preferred Shares is expected to be consummated on March 17, 1998 and is subject to customary closing conditions. Vornado has granted the underwriters an option, exercisable for 30 days after March 12, 1999, to purchase up to 450,000 additional Series B Preferred Shares, solely to cover overallocments. If this option is exercised in full, the total proceeds to Vornado will be approximately \$83.5 million. Expenses payable by Vornado in connection with the offering of the Series B Preferred Shares are estimated at approximately \$405,000.

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ITEM 6. NOT APPLICABLE.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

The following exhibits are furnished in accordance with the provisions of Item 601 of Regulation S-K:

Exhibit No.	Description
1.1	Underwriting Agreement, dated March 12, 1999, among Vornado Realty Trust, Vornado Realty L.P., Merrill Lynch, Pierce Fenner & Smith Incorporated and the other underwriters named therein.
3.1	Fifth Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of March 3, 1999 (Issuance of Series E-1 Convertible Preferred Units to Commonwealth Atlantic Properties, Inc.).
3.2	Exhibit A to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of March 11, 1999 (Newkirk Acquisition).
3.3	Articles Supplementary to Declaration of Trust of Vornado Realty Trust with Respect to Series B Preferred Shares.
99.1	Press Release of Vornado Realty Trust, dated March 4, 1999.

ITEM 8. NOT APPLICABLE.

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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.

VORNADO REALTY TRUST
(Registrant)

By: /s/ Irwin Goldberg

Name: Irwin Goldberg
Title: Vice President --
Chief Financial Officer

Date: March 17, 1999

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Index to Exhibits

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Section 2: EX-1.1 (UNDERWRITING AGREEMENT)

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VORNADO REALTY TRUST

(a Maryland real estate investment trust)

8.5% Series B Cumulative Redeemable
Preferred Shares of Beneficial Interest

(Liquidation Preference \$25.00 Per Share)

UNDERWRITING AGREEMENT

Dated: March 12, 1999

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EXHIBITS

Exhibit A - Form of Opinion of Company's Counsel.....A-1
 Exhibit B - Form of Opinion of Special Maryland Counsel to the
 Company.....B-1

VORNADO REALTY TRUST

(a Maryland real estate investment trust)

3,000,000 Shares
 8.5% Cumulative Redeemable
 Preferred Shares of Beneficial Interest
 (No Par Value Per Share)

Underwriting Agreement

March 12, 1999

MERRILL LYNCH & CO.
 Merrill Lynch, Pierce, Fenner & Smith
 Incorporated
 Morgan Stanley & Co. Incorporated
 PaineWebber Incorporated
 Prudential Securities Incorporated
 Salomon Smith Barney Inc.
 as Representatives of the Several Underwriters
 c/o Merrill Lynch & Co.
 Merrill Lynch, Pierce, Fenner & Smith
 Incorporated
 North Tower
 World Financial Center
 New York, New York 10281-1209

Ladies and Gentlemen:

Vornado Realty Trust, a Maryland real estate investment trust (the "Company"), confirms its agreement with Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") and each of the other Underwriters named in Schedule A hereto (collectively, the "Underwriters", which term shall also include any underwriter substituted as hereinafter provided in Section 10 hereof), for whom Merrill Lynch, Morgan Stanley & Co. Incorporated, PaineWebber Incorporated, Prudential Securities Incorporated and Salomon Smith Barney Inc. are acting as representatives (in such capacity, the "Representatives"), with respect to the issue and sale by the Company and the purchase by the Underwriters, acting severally and not jointly, of the number of 8.5% Cumulative Redeemable Preferred Shares of Beneficial Interest, no par value per share, of the Company ("Preferred Shares") set forth above, and with respect to the grant by the Company to the Underwriters of the option described in Section 2(b) hereof to purchase all or any part of 450,000 additional Preferred Shares to cover over-allotments, if any. The aforesaid 3,000,000 Preferred

Shares (the "Initial Securities") to be purchased by the Underwriters and all or any part of the 450,000 Preferred Shares subject to the option described in Section 2(b) hereof (the "Option Securities") are hereinafter called collectively the "Securities".

The Company understands that the Underwriters propose to offer the Securities (the "Offering") as soon after the execution and delivery hereof as in the judgment of the Representatives is advisable.

The Company has filed with the Securities and Exchange Commission (the "Commission") one or more registration statements on Form S-3, including a prospectus relating to the Preferred Shares and other securities of the Company for the registration of such securities under the Securities Act of 1933, as amended (the "1933 Act"). Such registration statements have been declared effective by the Commission. A prospectus supplement reflecting the terms of the Securities, the terms of the offering thereof and the other matters set forth therein has been prepared or will be prepared and will be filed in accordance with the provisions of paragraph (b) of Rule 424 ("Rule 424(b)") of the rules and regulations of the Commission under the 1933 Act (the "1933 Act Regulations"). Such prospectus supplement, in the form first filed after the date hereof pursuant to Rule 424(b), is hereinafter called the "Prospectus Supplement." Such registration statements, as amended at the date hereof, including all documents incorporated or deemed to be incorporated by reference therein and the exhibits thereto, and schedules thereto, if any, are hereinafter called the "Registration Statement" and the basic prospectus included therein and relating to all offerings of securities under the Registration Statement, as supplemented by the Prospectus Supplement, is hereinafter called the

"Prospectus", except that if such basic prospectus is amended or supplemented on or prior to the date on which the Prospectus Supplement is first filed pursuant to Rule 424(b), the term "Prospectus" shall refer to the basic prospectus as so amended or supplemented and as supplemented by the Prospectus Supplement, including the documents filed by the Company with the Commission pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), that are incorporated by reference therein. For purposes of this Agreement, all references to the Registration Statement or the Prospectus or any amendment or supplement to either of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval System ("EDGAR").

All references in this Agreement to financial statements and schedules and other information which is "contained," "included," "stated," "described," "discussed" or "set forth" in the Registration Statement or the Prospectus (or other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information which is incorporated by reference in the Registration Statement or the Prospectus, as the case may be; and all references in this Agreement to amendments or supplements to the Registration Statement, or the Prospectus shall be deemed to mean and include the filing of any document under the 1934 Act which is incorporated by reference in the Registration Statement or the Prospectus, as the case may be.

For purposes of this Agreement, unless the context requires otherwise, all references to "subsidiaries" shall include corporations in which the Company owns all of the outstanding non-voting stock and none of the voting stock ("Preferred Stock Affiliates").

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SECTION 1. Representations and Warranties.

(a) Representations and Warranties by the Company. The Company represents and warrants to each Underwriter as of the date hereof and as of the Closing Time referred to in Section 2(c) hereof, and as of each Date of Delivery (if any) referred to in Section 2(b) hereof and agrees with each Underwriter, as follows:

(i) Incorporated Documents. The documents incorporated by reference in the Registration Statement and the Prospectus, when they became effective or were filed with the Commission, as the case may be, conformed in all material respects to the requirements of the 1933 Act or the 1934 Act, as applicable, and the rules and regulations of the Commission thereunder, and none of such documents contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and any further documents so filed and incorporated by reference in the Registration Statement and the Prospectus or any further amendment or supplement thereto, when such documents become effective or are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the 1933 Act or the 1934 Act, as applicable, and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by any Underwriter through the Representatives expressly for use in the Registration Statement or the Prospectus, in each case as amended or supplemented, relating to such Preferred Shares;

(ii) Compliance with Registration Requirements. The Registration Statement and the Prospectus conform, and any further amendments or supplements to the Registration Statement or the Prospectus will conform, in all material respects to the requirements of the 1933 Act and the 1933 Act Regulations and do not and will not, as of the applicable effective date as to the Registration Statement and any amendment thereto and as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by any Underwriter through the Representatives expressly for use in the Prospectus as amended or supplemented relating to such Preferred Shares;

(iii) No Material Adverse Change in Business. Neither the Company nor any of its subsidiaries has sustained since the date of the latest audited financial statements included or incorporated by reference in the Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus; and, since the respective dates as of which

information is given in the Registration Statement and the Prospectus, except as otherwise stated therein, there has not been any change in the capitalization or long-term debt of the Company or any material adverse change in or affecting the condition, financial or otherwise, or the earnings, business affairs or business prospects of the Company and its subsidiaries taken as a whole, otherwise than as set forth or contemplated in the Prospectus.

(iv) Good Standing of the Company. The Company is a real estate investment trust duly formed and existing under the laws of the State of Maryland in good standing with the State Department of Assessments and Taxation of Maryland, with trust power to own, lease and operate its properties and to conduct its business substantially as described in the Prospectus and to enter into and perform its obligations under this Agreement; and the Company is duly qualified as a foreign organization to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify would not have a material adverse effect on the condition, financial or otherwise, or the earnings, business affairs or business prospects of the Company and its subsidiaries taken as a whole;

(v) Qualification as a REIT. The Company is organized in conformity with the requirements for qualification as a real estate investment trust (a "REIT") under the Internal Revenue Code of 1986, as amended (the "Code"), and currently intends to operate in a manner which allows the Company to continue to meet the requirements for taxation as a REIT under the Code;

(vi) Good Standing of the Operating Partnership. Vornado Realty L.P. (the "Operating Partnership") has been duly formed and is validly existing as a limited partnership in good standing under the laws of the State of Delaware and has partnership power and authority to own, lease and operate its properties and to conduct its business substantially as described in the Prospectus and is duly qualified as a foreign organization to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify would not have a material adverse effect on the condition, financial or otherwise, or the earnings, business affairs or business prospects of the Operating Partnership; all of the issued and outstanding limited partnership interests in the Operating Partnership have been duly authorized and validly issued and are fully paid and nonassessable; the Company is the sole general partner of, and owned an approximately 81.5% limited partnership interest in, the Operating Partnership as of March 9, 1999;

(vii) Good Standing of Subsidiaries. Each subsidiary of the Company, other than the Operating Partnership, which is covered in paragraph (vi) above, has been duly formed and is validly existing in good standing under the laws of the jurisdiction of its organization and has power and authority to own, lease and operate its properties and to conduct its business substantially as described in the Prospectus and is duly qualified as a foreign organization to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the

conduct of business, except where the failure to so qualify would not have a material adverse effect on the condition, financial or otherwise, or the earnings, business affairs or business prospects of the Company and its subsidiaries taken as a whole; all of the issued and outstanding capital stock of each such subsidiary (other than Preferred Stock Affiliates) has been duly authorized and validly issued, is fully paid and nonassessable and is owned by the Company or the Operating Partnership, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity, except as would not have a material adverse effect on the condition, financial or otherwise, or the earnings, business affairs or business prospects of the Company and its subsidiaries taken as a whole and except as disclosed in the Prospectus;

(viii) Capitalization. The Company has an authorized capitalization as set forth in the Prospectus under the caption "Capitalization" (except for subsequent issuances, if any, pursuant to this Agreement or pursuant to the terms of reservations, agreements or employee benefit plans, including, without limitation, the Vornado Realty Trust Omnibus Share Plan, dividend reinvestment plans and employee or director stock option plans, or the exercise of options outstanding on the date hereof, and in each case referred to in the Prospectus), and all of the issued and outstanding shares of beneficial interest of the Company have been duly and validly authorized and issued and are fully paid and nonassessable;

(ix) Authorization and Description of Preferred Shares. The Preferred Shares have been duly authorized, and, when the Initial Securities are issued and delivered pursuant to this Agreement and, in the case of any Option Securities, pursuant to over-allotment options with respect to such Preferred Shares, such Securities will be duly and validly issued and fully paid and nonassessable; the Preferred Shares conform to the description thereof contained in the Prospectus under the caption "Description of Shares of Beneficial Interest" and the Securities will conform to the description thereof contained in the Prospectus Supplement under the caption "Description of the Series B Preferred Shares" and such description will conform to the rights set forth in the Articles Supplementary designating the Securities.

(x) Absence of Conflicts and Defaults. The issue and sale of the Preferred Shares and each over-allotment option, if any, and the compliance by the Company with all of the provisions of this Agreement and each over-allotment option, if any, and the consummation of the transactions contemplated herein have been duly authorized by all necessary trust action and, except as would not have a material adverse effect on the condition, financial or otherwise, or the earnings, business affairs or business prospects of the Company and its subsidiaries taken as a whole, will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, nor will such action result in any violation of the provisions of the Amended and Restated Declaration of Trust, as amended, or Bylaws of the Company or any statute or any order, rule or regulation of any court or governmental authority, agency or body having jurisdiction over

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the Company or any of its properties; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Preferred Shares or the consummation by the Company of the transactions contemplated by this Agreement or any over-allotment option, except such as have been, or will have been prior to the Closing Time and each Date of Delivery (as defined in Section 2(b) hereof), obtained under the 1933 Act and the 1933 Act Regulations and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Preferred Shares by the Underwriters;

(xi) Authorization of this Underwriting Agreement. This Agreement has been duly authorized by all necessary trust action of the Company and all necessary partnership action of the Operating Partnership and has been executed and delivered by the Company and the Operating Partnership;

(xii) Absence of Proceedings. Other than as set forth in the Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its subsidiaries is the subject, which, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a material adverse effect on the condition, financial or otherwise, or the earnings, business affairs or business prospects of the Company and its subsidiaries taken as a whole; and, to the best of the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others; and there are no contracts or documents of the Company or any of its subsidiaries which are required to be filed as exhibits to the Registration Statement by the 1933 Act or the 1933 Act Regulations which have not been so filed;

(xiii) No Violations or Defaults. Neither the Company nor any of its subsidiaries is in violation of its organizational documents or bylaws or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any material indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties or assets may be bound, which default would have a material adverse effect on the general affairs, management, financial position, shareholders' equity or results of operations of the Company and its subsidiaries taken as a whole;

(xiv) Accuracy of Certain Descriptions. The statements set forth in the Prospectus under the captions "Description of Shares of Beneficial Interest", "Description of the Series B Preferred Shares", "Federal Income Tax Considerations", "Plan of Distribution" and "Underwriting", insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate, complete and fair summaries;

(xv) Investment Company Act. Neither the Company nor the Operating Partnership is subject to registration as an "investment company" under

(xvi) Independent Public Accountants. Deloitte & Touche LLP, who have certified certain financial statements and financial statement schedules of the Company and its subsidiaries included or incorporated by reference in the Registration Statement, are independent public accountants as required by the 1933 Act and the 1933 Act Regulations;

(xvii) Financial Statements. The financial statements and the financial statement schedules of the Company and its consolidated subsidiaries included or incorporated by reference in the Registration Statement and the Prospectus present fairly the financial position of the Company and its consolidated subsidiaries as at the dates indicated, the results of their operations for the periods specified and the information required to be stated therein; and said financial statements and financial statement schedules have been prepared in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods involved. The selected financial data included or incorporated by reference in the Prospectus present fairly the information shown therein and have been compiled on a basis consistent with that of the consolidated financial statements included or incorporated by reference in the Registration Statement. Any pro forma financial statements and other pro forma financial information included in the Registration Statement and the Prospectus comply in all material respects with the applicable requirements of Rule 11-02 of Regulation S-X of the Commission and present fairly the information shown therein; the pro forma adjustments, if any, have been properly applied to the historical amounts in the compilation of such statements, and in the opinion of the Company, the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions or circumstances referred to therein;

(xviii) Title to Property. Except as otherwise disclosed in the Prospectus, and except as would not have a material adverse effect on the condition, financial or otherwise, or the earnings, business affairs or business prospects of the Company and its subsidiaries taken as a whole: (i) each of the Company and its subsidiaries has good and marketable title to all properties and assets described in the Prospectus as owned by such party, in each case free of all liens, encumbrances and defects; (ii) all of the leases under which the Company or any of its subsidiaries holds or uses real property or assets as a lessee are in full force and effect, and neither the Company nor any of its subsidiaries is in material default in respect of any of the terms or provisions of any of such leases and no claim has been asserted by anyone adverse to any such party's rights as lessee under any of such leases, or affecting or questioning any such party's right to the continued possession or use of the leased property or assets under any such leases; (iii) all liens, charges, encumbrances, claims, or restrictions on or affecting the properties and assets of the Company or any of its subsidiaries that are required to be disclosed in the Prospectus are disclosed therein; (iv) neither the Company, any of its subsidiaries nor, to the knowledge of the Company, any lessee of any portion of any such party's properties is in default under any of the leases pursuant to which the Company or any of its subsidiaries leases its properties and neither the Company nor any of its subsidiaries knows of any event which, but for the passage of time or the giving of notice, or both, would constitute a default under any of such leases; (v) no tenant under any lease pursuant to which the Company or any of its subsidiaries leases its properties has an option or right of first refusal to purchase the premises leased thereunder; (vi) to the best of its

knowledge, each of the properties of the Company or any of its subsidiaries complies with all applicable codes and zoning laws and regulations; and (vii) neither the Company nor any of its subsidiaries has knowledge of any pending or threatened condemnation, zoning change or other proceeding or action that will in any manner affect the size or use of, improvements or construction on or access to the properties of the Company or any of its subsidiaries;

(xix) Environmental Laws. Except as otherwise disclosed in the Prospectus, or as is not reasonably likely to have a material adverse effect on the condition, financial or otherwise, or the earnings, business affairs or business prospects of the Company and its subsidiaries taken as a whole:

A. each of the Company and its subsidiaries is in compliance with all applicable laws relating to pollution or the discharge of materials into the environment, including common law relating to damage to property or injury to persons ("Environmental Laws"), each of the Company and its subsidiaries currently holds all governmental authorizations required under Environmental Laws in order to conduct

their businesses as described in the Prospectus, and neither the Company nor any of its subsidiaries has any basis to believe that any such governmental authorization may be modified, suspended or revoked, or cannot be renewed in the ordinary course of business;

B. there are no past or present actions, activities, circumstances, conditions, events or incidents, including, without limitation, the release, threatened release, or disposal of any material (including radiation and noise), that could form the basis of any claim (whether by a governmental authority or other person or entity) under Environmental Laws for cleanup costs, damages, penalties, fines, or otherwise, against any of the Company or its subsidiaries, or against any person or entity whose liability for such claim may have been retained by any of the Company or its subsidiaries, whether by contract or law; and

C. the Company and its subsidiaries have fully disclosed to the Representatives or counsel for the Underwriters all studies, reports, assessments, audits and other information in their possession or control relating to any pollution or release, threatened release or disposal of materials regulated under Environmental Laws on, at, under, from or transported from any of their currently or formerly owned, leased or operated properties, including, without limitation, all information relating to underground storage tanks and asbestos containing materials.

(xx) No Stabilizing Actions. Neither the Company nor the Operating Partnership has taken, and neither the Company nor the Operating Partnership will take, directly or indirectly, any action designed to, or that might be reasonably expected to, cause or result in stabilization or manipulation of the price of the Preferred Shares.

(b) Officer's Certificates. Any certificate signed by any officer of the Company or any of its subsidiaries delivered to the Representatives or to counsel for the Underwriters shall be deemed

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a representation and warranty by the Company to each Underwriter as to the matters covered thereby.

SECTION 2. Sale and Delivery to the Underwriters; Closing.

(a) Initial Securities. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company agrees to sell to each Underwriter, severally and not jointly, and each Underwriter, severally and not jointly, agrees to purchase from the Company, at the price per share set forth in Schedule B, the number of Initial Securities set forth in Schedule A opposite the name of such Underwriters, plus any additional number of Initial Securities which such Underwriter may become obligated to purchase pursuant to the provisions of Section 10 hereof.

(b) Option Securities. In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company hereby grants an option to the Underwriters, severally and not jointly, to purchase up to an additional 450,000 Preferred Shares at the price per share set forth in Schedule B. The option hereby granted will expire 30 days after the date hereof and may be exercised in whole or in part from time to time only for the purpose of covering over-allotments which may be made in connection with the offering and distribution of the Initial Securities upon notice by the Representatives to the Company setting forth the number of Option Securities as to which the several Underwriters are then exercising the option and the time and date of payment and delivery for such Option Securities. Any such time and date of delivery for the Option Securities (a "Date of Delivery") shall be determined by Merrill Lynch, but shall not be later than seven full business days after the exercise of said option, nor in any event prior to the Closing Time, as hereinafter defined. If the option is exercised as to all or any portion of the Option Securities, each of the Underwriters, acting severally and not jointly, will purchase that proportion of the total number of Option Securities then being purchased which the number of Initial Securities set forth in Schedule A opposite the name of such Underwriter bears to the total number of Initial Securities, subject in each case to such adjustments as Merrill Lynch in its discretion shall make to eliminate any sales or purchases of fractional sales.

(c) Payment. Payment of the purchase price for, and delivery of certificates for, the Securities shall be made at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, 919 Third Avenue, New York, NY 10022 or at such other place as shall be agreed upon by the Underwriter and the Company, at 9:00 A.M. (Eastern time) on the third (fourth, if the pricing occurs after 4:30 P.M. (Eastern time) on any given day) business day after the date hereof, or such other time not later than ten business days after such date as shall be agreed upon by Merrill Lynch and the Company (such time and date of payment and delivery being herein called "Closing Time").

In addition, in the event that any or all of the Option Securities are

purchased by the Underwriters, payment of the purchase price for, and delivery of certificates for, such Option Securities shall be made at the above-mentioned offices, or at such other place as shall be agreed upon by Merrill Lynch and the Company, on each Date of Delivery as specified in the notice from Merrill Lynch to the Company.

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Payment shall be made to the Company by wire transfer of immediately available funds to a bank account designated by the Company, against delivery to the Representatives for the respective accounts of the Underwriters of certificates for the Securities to be purchased by them. It is understood that each Underwriter has authorized the Representatives, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Initial Securities and the Option Securities, if any, which it has agreed to purchase. Merrill Lynch, individually and not as representative of the Underwriters, may (but shall not be obligated to) make payment of the purchase price for the Initial Securities or the Option Securities, if any, to be purchased by any Underwriter whose funds have not been received by the Closing Time or the relevant Date of Delivery, as the case may be, but such payment shall not relieve such Underwriter from its obligations hereunder.

(d) Denominations; Registration. Certificates for the Initial Securities and the Option Securities, if any, shall be in such denominations and registered in such names as the Underwriter may request in writing at least one full business day before the Closing Time or the relevant Date of Delivery, as the case may be. The certificates for the Initial Securities and the Option Securities, if any, will be made available for examination and packaging by the Representatives in The City of New York not later than 10:00 A.M. (Eastern time) on the business day prior to the Closing Time or the relevant Date of Delivery, as the case may be.

SECTION 3. Covenants of the Company. The Company covenants with each Underwriter as follows:

(a) Delivery of Registration Statements. The Company has furnished or will deliver to the Representatives and counsel for the Underwriters, without charge, copies of the Registration Statement as originally filed and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein and documents incorporated or deemed to be incorporated by reference therein) and copies of all consents and certificates of experts. The copies of the Registration Statement and each amendment thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T of the Commission.

During the period when the Prospectus is required by the 1933 Act to be delivered in connection with sales of the Securities, the Company will inform the Representatives of its intention to file any amendment to the Registration Statement or any supplement to the Prospectus; will furnish the Representatives with copies of any such amendment or supplement a reasonable time in advance of filing; and will not file any such amendment or supplement in a form to which the Representatives or counsel to the Underwriters shall reasonably object (it being understood that the terms "amendment" and "supplement" do not include documents filed by the Company pursuant to the 1934 Act).

(b) Delivery of Prospectus. The Company has delivered to each Underwriter, without charge, as many copies of each preliminary prospectus as such Underwriter reasonably requested, and the Company hereby consents to the use of such copies for purposes permitted by the 1933 Act.

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The Company will furnish to each Underwriter, without charge, during the period when the Prospectus is required to be delivered under the 1933 Act or the 1934 Act, such number of copies of the Prospectus (as amended or supplemented) as such Underwriter may reasonably request. The Prospectus and any amendments or supplements thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T of the Commission.

(c) Continued Compliance with Securities Laws. The Company will comply with the 1933 Act and the 1933 Act Regulations and the 1934 Act and the rules and regulations of the Commission thereunder (the "1934 Act Regulations"), so as to permit the completion of the distribution of the Securities as contemplated in this Agreement and in the Prospectus. If at any time when a prospectus is required by the 1933 Act to be delivered in connection with sales of the Securities, any event shall occur or condition shall exist as a result of which it is necessary for the Company to amend the Registration Statement or amend or supplement the Prospectus in order that the Prospectus will not include any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, or if it shall be necessary at any such time to amend the Registration Statement or amend

or supplement the Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will promptly prepare and file with the Commission, such amendment or supplement as may be necessary to correct such statement or omission or to make the Registration Statement or the Prospectus comply with such requirements, and the Company will furnish to the Underwriters such number of copies of such amendment or supplement as the Underwriters may reasonably request.

(d) Rule 158. The Company will timely file such reports pursuant to the 1934 Act as are necessary in order to make generally available to its securityholders as soon as practicable an earnings statement for the purposes of, and to provide the benefits contemplated by, the last paragraph of Section 11(a) of the 1933 Act.

(e) Use of Proceeds. The Company will use the net proceeds received by it from the sale of the Securities in the manner specified in the Prospectus under "Use of Proceeds".

(f) Listing. The Company will use its best efforts to effect the listing of the Securities on the New York Stock Exchange.

SECTION 4. Payment of Expenses.

(a) Expenses. The Company will pay all expenses incident to the performance of its obligations under this Agreement, including (i) the preparation, printing and filing of the Registration Statement (including financial statements and exhibits) as originally filed and of each amendment thereto, (ii) the preparation and printing of this Agreement, any Agreement among Underwriters and such other documents as may be required in connection with the offering, purchase, sale, issuance or delivery of the Securities, (iii) the preparation, issuance and delivery of

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the certificates for the Securities to the Underwriters, including any stock or other transfer taxes and any stamp or other duties payable upon the sale, issuance or delivery of the Securities to the Underwriters, (iv) the fees and disbursements of the Company's counsel and accountants, (v) the qualification, if any, of the Securities under state securities laws, including filing fees and the reasonable fees and disbursements of counsel for the Underwriter in connection therewith and in connection with the preparation of a Blue Sky Survey and any supplement thereto, if any, (vi) the printing and delivery to the Underwriters of copies of each preliminary prospectus and of the Prospectus and any amendments or supplements thereto, (vii) the fees and expenses of any transfer agent or registrar for the Securities, (viii) the filing fees incident to, and the reasonable fees and disbursements of counsel to the Underwriters in connection with, the review, if any, by the National Association of Securities Dealers, Inc. (the "NASD") of the terms of the sale of the Securities and (ix) the fees and expenses incurred in connection with the listing of the Securities on the New York Stock Exchange. It is understood, however, that, except as provided in this Section and Section 6 hereof, each Underwriter will pay all of its own costs and expenses, including the fees of its counsel, stock transfer taxes on resale of any of the Securities by it, and any advertising expenses connected with any offers of the Securities such Underwriter may make.

(b) Termination of Agreement. If this Agreement is terminated by the Representatives in accordance with the provisions of Section 5 or Section 9(a)(i) hereof, the Company shall reimburse the Underwriters for all out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Underwriters.

SECTION 5. Conditions of Underwriters' Obligations. The obligations of the Underwriters hereunder are subject to the accuracy of the representations and warranties of the Company contained in Section 1 hereof or in certificates of any officer of the Company or any subsidiary of the Company delivered pursuant to the provisions hereof, to the performance by the Company of its covenants and other obligations hereunder, and to the following further conditions:

(a) Effectiveness of Registration Statement. No stop order suspending the effectiveness of the Registration Statement shall have been issued under the 1933 Act or proceedings therefor initiated or threatened by the Commission, and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of counsel to the Underwriter. The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing by the 1933 Act Regulations.

(b) Opinions of Counsel for the Company. At Closing Time, the Representatives shall have received the opinions, dated as of Closing Time, of Sullivan & Cromwell, counsel for the Company, in form and substance reasonably satisfactory to counsel for the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters, to the effect set forth in Exhibit A hereto.

(c) Opinion of Special Maryland Counsel for the Company. At Closing Time, the Representatives shall have received the opinion, dated as of Closing Time,

& Ingersoll, LLP, special Maryland counsel for the Company, in form and substance reasonably satisfactory to counsel for the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters, to the effect set forth in Exhibit B hereto.

(d) Opinion of Counsel for the Underwriters. At Closing Time, the Representatives shall have received the favorable opinion, dated as of Closing Time, of Skadden, Arps, Slate, Meagher & Flom LLP, counsel for the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters, with respect to the matters set forth in clauses (i), (iv), (vi), (vii) and (xii) in the opinion of Sullivan & Cromwell referred to in paragraph (b) above. In giving such opinion such counsel may state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Company and its subsidiaries and certificates of public officials.

(e) Officers' Certificate. At Closing Time, there shall not have been, since the date hereof or since the respective dates as of which information is given in the Prospectus, any material adverse change in or affecting the condition, financial or otherwise, or the earnings, business affairs or business prospects of the Company and its subsidiaries taken as a whole, whether or not arising in the ordinary course of business, and the Representatives shall have received a certificate of the Chairman or President, and the Executive Vice President - Finance and Administration or Vice President - Chief Financial Officer of the Company, dated as of Closing Time, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties in Section 1(a) hereof are true and correct with the same force and effect as though expressly made at and as of Closing Time, (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Time, and (iv) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or, to the best of such officers' knowledge, are pending or are contemplated by the Commission.

(f) Accountants' Comfort Letter. At the time of the execution of this Agreement, the Representatives shall have received from Deloitte & Touche LLP a letter dated such date, in form and substance satisfactory to the Representatives, together with signed or reproduced copies of such letter for each of the other Underwriters, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement and the Prospectus.

In addition, at Closing Time, the Representatives shall have received from such other accountants as they may request in writing to the Company a letter, dated such date, in form and substance satisfactory to the Representatives, together with signed or reproduced copies of such letter for each of the other Underwriters, containing statements and information as may be requested by the Underwriters and counsel for the Underwriters, with respect to certain financial information relating to the properties acquired by the Company and discussed in the Prospectus under the heading "Recent Developments and Results of Operations", which financial information is incorporated by reference into the Prospectus.

(g) Bring-down Comfort Letter. At Closing Time, the Representatives shall have received from Deloitte & Touche LLP a letter, dated as of Closing Time, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (f) of this Section, except that the specified date referred to shall be a date not more than three business days prior to Closing Time.

(h) Maintenance of Rating. At Closing Time, the Securities shall be rated at least Baa3 by Moody's Investor's Service and BBB- by Standard & Poor's Ratings Group, a division of McGraw-Hill, Inc.; and since the date of this Agreement, there shall not have occurred a downgrading in the rating assigned to the Securities or any of the Company's other securities by any "nationally recognized statistical rating agency", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the 1933 Act, and no such organization shall have publicly announced that it has under surveillance or review its rating of the Securities or any of the Company's other securities.

(i) Approval of Listing. At Closing Time, the Securities shall have been approved for listing on the New York Stock Exchange, subject only to official notice of issuance.

(j) Conditions to Purchase of Option Securities. In the event that the Underwriters exercise their option provided in Section 2(b) hereof to purchase all or any portion of the Option Securities, the representations and warranties

of the Company contained herein and the statements in any certificates furnished by the Company or any subsidiary of the Company hereunder shall be true and correct as of each Date of Delivery and, at the relevant Date of Delivery, the Representatives shall have received:

(i) Officers' Certificate. A certificate, dated such Date of Delivery, of the President or a Vice President of the Company and of the Chief Financial Officer of the Company confirming that the certificate delivered at the Closing Time pursuant to Section 5(e) hereof remains true and correct as of such Date of Delivery.

(ii) Opinions of Counsel for the Company. The opinions of Sullivan & Crowell, counsel for the Company, together with the opinion of Ballard Spahr Andrews & Ingersoll, special Maryland counsel for the Company, each in form and substance reasonably satisfactory to counsel for the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinions required by Sections 5(b) and 5(c) hereof.

(iii) Opinion of Counsel for the Underwriter. The opinion of Skadden, Arps, Slate, Meagher & Flom LLP, counsel for the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(d) hereof.

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(iv) Bring-down Comfort Letter. A letter from Deloitte & Touche LLP, in form and substance satisfactory to the Representatives and dated such Date of Delivery, substantially in the same form and substance as the letter furnished to the Representatives pursuant to Section 5(g) hereof, except that the "specified date" in the letter furnished pursuant to this paragraph shall be a date not more than three days prior to such Date of Delivery.

(v) No Downgrading. Subsequent to the date of this Agreement, no downgrading shall have occurred in the rating accorded the Securities or of any of the Company's other securities by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the 1933 Act, and no such organization shall have publicly announced that it has under surveillance or review its ratings of any of the Company's securities.

(k) Additional Documents. At Closing Time and at each Date of Delivery, counsel for the Underwriters shall have been furnished with such documents and opinions as they may require for the purpose of enabling them to pass upon the issuance and sale of the Securities as herein contemplated, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of the Securities as herein contemplated shall be reasonably satisfactory in form and substance to the Representatives and counsel for the Underwriters.

(l) Termination of Agreement. If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement, or, in the case of any condition to the purchase of Option Securities on a Date of Delivery which is after the Closing Time, the obligations of the Underwriters to purchase the relevant Option Securities, may be terminated by the Representatives by notice to the Company at any time at or prior to Closing Time or such Date of Delivery, as the case may be, and such termination shall be without liability of any party to any other party except as provided in Section 4 and except that Sections 1, 6, 7 and 8 shall survive any such termination and remain in full force and effect.

SECTION 6. Indemnification.

(a) Indemnification of Underwriters. The Company and the Operating Partnership each agree to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, as follows:

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(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact included in any preliminary prospectus or the Prospectus (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact

necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that (subject to Section 6(d) below) any such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including, subject to Section 6(c) hereof, the fees and disbursements of counsel chosen by Merrill Lynch), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives expressly for use in the Registration Statement (or any amendment thereto), or any preliminary prospectus or the Prospectus (or any amendment or supplement thereto).

(b) Indemnification of Company, Operating Partnership, Trustees, Partners and Officers. Each Underwriter severally agrees to indemnify and hold harmless the Company, the Operating Partnership, their respective trustees or partners, each of the officers who signed the Registration Statement, and each person, if any, who controls the Company or the Operating Partnership within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto), or any preliminary prospectus or the Prospectus (or any amendment thereto) in reliance upon and in conformity with written information furnished to the Company or the Operating Partnership by such

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Underwriter through the Representatives expressly for use in the Registration Statement (or any amendment thereto) or such preliminary prospectus or the Prospectus (or any amendment thereto).

(c) Actions against Parties; Notification. Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to Section 6(a) above, counsel to the indemnified parties shall be selected by Merrill Lynch, and, in the case of parties indemnified pursuant to Section 6(b) above, counsel to the indemnified parties shall be selected by the Company. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 6 or Section 7 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) Settlement without Consent if Failure to Reimburse. If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 6(a)(ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the

aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into, (iii) such indemnifying party, if it has not theretofore paid such reimbursement, is requested again to pay reimbursement at least five, but not more than ten, days prior to such settlement being entered into, and (iv) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

SECTION 7. Contribution. If the indemnification provided for in Section 6 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall

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contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other hand from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and of the Underwriters on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company on the one hand and the Underwriters on the other hand in connection with the offering of the Securities pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the Securities pursuant to this Agreement (before deducting expenses) received by the Company and the total underwriting discount received by the Underwriters, in each case as set forth on the cover of the Prospectus, bear to the aggregate initial public offering price of the Securities as set forth on such cover.

The relative fault of the Company on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 7 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 7, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of any such untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

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For purposes of this Section 7, each person, if any, who controls an Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such Underwriter, and each trustee or partner, as the case may be, of the Company or the Operating Partnership, each officer who signed the Registration Statement, and each person, if any, who controls the Company or the Operating Partnership within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company or the Operating Partnership, as the case may be.

SECTION 8. Representations, Warranties and Agreements to Survive Delivery. All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company or any of its subsidiaries submitted pursuant hereto, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriters or any controlling

person of an Underwriter, or by or on behalf of the Company or the Operating Partnership or any officer or trustee or partner or controlling person of the Company or the Operating Partnership, and shall survive delivery of the Securities to the Underwriters.

SECTION 9. Termination of Agreement.

(a) Termination; General. The Representatives may terminate this Agreement, by notice to the Company, at any time at or prior to Closing Time (i) if there has been, since the time of execution of this Agreement or since the respective dates as of which information is given in the Prospectus, any material adverse change in or affecting the condition, financial or otherwise, or the earnings, business affairs or business prospects of the Company and its subsidiaries taken as a whole, whether or not arising in the ordinary course of business, or (ii) if there has occurred any material adverse change in the financial markets in the United States, or any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of the Representatives, impracticable or inadvisable to commence or continue the offering of the Securities or to enforce contracts for the sale of the Securities to the public, or (iii) if trading in any securities of the Company has been suspended or materially limited by the Commission or the New York Stock Exchange, or if trading generally on the American Stock Exchange or the New York Stock Exchange has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of such exchanges or by order of the Commission or any other governmental authority, or (iv) if a banking moratorium has been declared by either Federal or New York authorities.

(b) Liabilities. If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party except as provided in Section 4 hereof, and provided further that Sections 1, 6, 7 and 8 shall survive such termination and remain in full force and effect.

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SECTION 10. Default by One or More of the Underwriters. If one or more of the Underwriters shall fail at Closing Time or a Date of Delivery to purchase the Securities which it or they are obligated to purchase under this Agreement (the "Defaulted Securities"), the Representatives shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Underwriters, or any other underwriters, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth; if, however, the Representatives shall not have completed such arrangements within such 24-hour period, then:

(a) if the number of Defaulted Securities does not exceed 10% of the number of Securities to be purchased on such date, each of the non-defaulting Underwriters shall be obligated, severally and not jointly, to purchase the full amount thereof in the proportions that their respective underwriting obligations hereunder bear to the underwriting obligations of all non-defaulting Underwriters, or

(b) if the number of Defaulted Securities exceeds 10% of the number of Securities to be purchased on such date, this Agreement or, with respect to any Date of Delivery which occurs after the Closing Time, the obligation of the Underwriters to purchase and of the Company to sell the Option Securities to be purchased and sold on such Date of Delivery shall terminate without liability on the part of any non-defaulting Underwriter.

No action taken pursuant to this Section shall relieve any defaulting Underwriter from liability in respect of its default.

In the event of any such default which does not result in a termination of this Agreement or, in the case of a Date of Delivery which is after the Closing Time, which does not result in a termination of the obligation of the Underwriters to purchase and the Company to sell the relevant Option Securities, as the case may be, either the Representatives or the Company shall have the right to postpone Closing Time or the relevant Date of Delivery, as the case may be, for a period not exceeding seven days in order to effect any required changes in the Registration Statement or Prospectus or in any other documents or arrangements. As used herein, the term "Underwriter" includes any person substituted for a Underwriter under this Section 10.

SECTION 11. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriters shall be directed to Merrill Lynch at North Tower, World Financial Center, New York, New York 10281-1209, attention of Michael F. Profenius; and notices to the Company and the Operating Partnership shall be directed to it at Park 80 West, Plaza II, Saddle Brook, NJ 07663, attention of the Executive Vice President, Finance and Administration.

SECTION 12. Parties. This Agreement shall each inure to the benefit of and be binding upon the Underwriters, the Company, the Operating Partnership and

their respective successors.

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Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Underwriters, the Company, the Operating Partnership and their respective successors and the controlling persons and officers, trustees and partners referred to in Sections 6 and 7 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Underwriters, the Company, the Operating Partnership and their respective successors, and said controlling persons and officers, trustees and partners and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities from any Underwriter shall be deemed to be a successor by reason merely of such purchase.

SECTION 13. GOVERNING LAW AND TIME. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. SPECIFIED TIMES OF DAY REFER TO NEW YORK CITY TIME.

SECTION 14. Effect of Headings. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

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If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Underwriters, the Company and the Operating Partnership in accordance with its terms.

Very truly yours,

VORNADO REALTY TRUST

By: /s/ Michael D. Fascitelli

Name: Michael D. Fascitelli
Title: President

VORNADO REALTY L.P.

By: Vornado Realty Trust,
its General Partner

By: /s/ Michael D. Fascitelli

Name: Michael D. Fascitelli
Title: President

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CONFIRMED AND ACCEPTED,
as of the date first above written.

MERRILL LYNCH & CO.
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED
MORGAN STANLEY & CO. INCORPORATED
PAINWEBBER INCORPORATED
PRUDENTIAL SECURITIES INCORPORATED
SALOMON SMITH BARNEY INC.

For themselves and as Representatives of the other Underwriters named in Schedule A hereto.

By: MERRILL LYNCH & CO.
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By: Jonathan A. Needell

Name: Jonathan A. Needell
Title: Vice President

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SCHEDULE A

Name of Underwriter -----	Number of Initial Securities -----
Merrill Lynch, Pierce, Fenner & Smith Incorporated	500,000
Morgan Stanley & Co. Incorporated	500,000
PaineWebber Incorporated	500,000
Prudential Securities Incorporated	500,000
Salomon Smith Barney Inc.	500,000
ABN AMRO Incorporated	25,000
BT Alex. Brown Incorporated	25,000
Robert W. Baird & Co. Incorporated	25,000
Bear, Stearns & Co. Inc.	25,000
CIBC Oppenheimer Corp.	25,000
Dain Rauscher Incorporated	25,000
A.G. Edwards & Sons, Inc.	25,000
EVEREN Securities, Inc.	25,000
Fahnestock & Co. Inc.	25,000
Goldman, Sachs & Co.	25,000
Legg Mason Wood Walker, Incorporated	25,000
NationsBanc Montgomery Securities LLC	25,000
Raymond James & Associates, Inc.	25,000
The Robinson-Humphrey Company, LLC	25,000
Roney Capital Markets, A Division of First Chicago Capital Markets, Inc.	25,000
SG Cowen Securities Corporation	25,000
Tucker Anthony Incorporated	25,000
U.S. Bancorp Piper Jaffray Inc.	25,000
C.E. Unterberg, Towbin	25,000
Wheat First Union, a Division of First Union Capital Markets Corp.	25,000
Total	----- 3,000,000 =====

SCHEDULE B

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VORNADO REALTY TRUST

8.5% Series B Cumulative Redeemable Preferred Shares of Beneficial Interest

Title of Designated Shares:

8.5% Series B Cumulative Redeemable Preferred Shares of Beneficial Interest

Number of Designated Shares:

Number of Firm Shares: 3,000,000
Maximum Number of Optional Shares: 450,000

Public Offering Price:

\$25.00 per Share

Purchase Price by Underwriters:

\$24.2125 per Share

Underwriting Discount:

\$.7875 per Share

Form of Designated Shares:

Definitive form, to be made available for checking and packaging at least twenty-four hours prior to the Time of Delivery.

Specified Funds for Payment of Purchase Price:

Wire transfer of same day funds.

Time of Delivery:

10:00 a.m. (New York City time), March 17, 1999

Closing Location:

Name and Address of Designated Representative:

Designated Representative: Merrill Lynch & Co.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated

Address for Notices, etc.: Merrill Lynch, North Tower,
World Financial Center:
New York, NY 10281,
Attention: Michael Profenius

Dividends:

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Cumulative at the annual rate of 8.5% per share on the liquidation preference of the Series B Preferred Shares payable quarterly in arrears on the first calendar day of January, April, July and October of each year, commencing July 1, 1997.

Liquidation Preference:

\$25.00 per share, plus an amount equal to accrued and unpaid dividends (whether or not earned or declared).

Ranking:

The Series B Preferred Shares will rank senior to the Company's common shares of beneficial interest and any other junior stock that the Company may issue in the future and equal to the Company's Series A Convertible Preferred Shares and any other parity stock that the Company may issue in the future, in each case with respect to payment of dividends and amounts upon liquidation, dissolution or winding up. The Company will acquire Series B Preferred Units of the Operating Partnership (with terms mirroring the terms of the Series B Preferred Shares) in exchange for the cash proceeds from the sale of the Series B Preferred Shares. Series B Preferred Units will rank senior to all classes of Operating Partnership units, including the Class A, C, and D Operating Partnership units and on a parity with certain other units in the Operating Partnership, with respect to payment of dividends and amounts upon liquidation, dissolution or winding up of the Operating Partnership.

Conversion Rights:

The Series B Preferred Shares are not convertible or exchangeable for any property or other securities of the Company.

Redemption at Option of the Company:

Except in certain circumstances relating to the preservation of the Company's status as a REIT, the Series B Preferred Shares are not redeemable prior to March 17, 2004. On and after March 17, 2004, the Series B Preferred Shares will be redeemable by the Company only with the proceeds from certain sales of equity securities at a redemption price of \$25.00 per share, plus any accrued and unpaid dividends through the date of redemption. The Series B Preferred Shares have no maturity date and will remain outstanding indefinitely unless redeemed.

Voting Rights:

Holders of the Series B Preferred Shares generally will have no voting rights. However, if dividends on the Series B Preferred Shares are in arrears for six quarterly dividend periods, the holders of the Series B Preferred Shares (voting separately as a class with holders of all other series of parity preferred stock upon which like voting rights have been conferred and are exercisable) will have the right to elect two additional trustees to serve on the Company's Board of Trustees until such dividend arrearage is eliminated. In addition, the approval of two-thirds of the outstanding Series B Preferred Shares (voting separately as a class with holders of all other series of parity preferred stock upon which like voting rights have been conferred and are exercisable) is required in order to amend the Company's Amended and Restated Declaration of Trust and Articles Supplementary to affect materially and adversely

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the rights, preferences or voting powers of the holders of the Series B Preferred Shares or such parity shares or to authorize, create, or increase the authorized amount of, any class of stock having rights senior to the Series B Preferred Shares with respect to the payment of dividends

or amounts upon liquidation, dissolution or winding up.

Listing:

New York Stock Exchange: "VNO Pr B"

CUSIP:

929042307

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Exhibit A

FORM OF OPINION OF COMPANY'S COUNSEL
TO BE DELIVERED PURSUANT TO
SECTION 5(b)

(i) The Company is a real estate investment trust duly organized and existing under the laws of the State of Maryland and is in good standing with the State Department of Assessments and Taxation of Maryland;

(ii) The Company has the trust power to own, lease and operate its properties and to conduct its business substantially as described in the Prospectus and to enter into and perform its obligations under this Agreement;

(iii) The Operating Partnership is a limited partnership duly organized and existing under the laws of the State of Delaware and has the partnership power and authority to own, lease and operate its properties and conduct its business substantially as described in the Prospectus;

(iv) The issuance and sale of the Securities to the Underwriters pursuant to this Agreement has been duly authorized and, when issued and delivered by the Company against payment therefor pursuant to this Agreement and the resolutions of the Board of Trustees and any committee thereof authorizing their issuance, the Securities will be validly issued, fully paid and nonassessable;

(v) Such counsel does not know of any litigation or governmental proceedings instituted or threatened against the Company or any of its consolidated subsidiaries that would be required to be disclosed in the Prospectus and is not so disclosed; and such counsel does not know of any documents that are required to be filed as exhibits to the Registration Statement and are not so filed or of any documents that are required to be summarized in the Prospectus that are not so summarized;

(vi) This Agreement has been duly authorized, executed and delivered by each of the Company and the Operating Partnership;

(vii) The Registration Statement has been declared effective under the 1933 Act, and, to the best of such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending under the 1933 Act;

(viii) All regulatory consents, authorizations, approvals and filings required to be obtained or made by the Company under the Federal laws of the United States and the laws of the State of New York for the issuance, sale and delivery of the Securities by the Company

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to the Underwriter have been obtained or made; provided, however, that for purposes of this paragraph (viii), such counsel need not express any opinion with respect to state securities laws;

(ix) The execution and delivery by the Company and the Operating Partnership of this Agreement do not, and the issuance of the Securities and the sale of the Securities by the Company to the Underwriters pursuant to this Agreement and the performance by the Company of its obligations under this Agreement and the consummation of the transactions herein contemplated will not (A) violate the Company's Amended and Restated Declaration of Trust or Bylaws or the certificate of limited partnership of the Operating Partnership, (B) violate any court order or administrative decree known to such counsel or any Federal law of the United States or law of the State of New York applicable to the Company or the Operating Partnership, or (C) result in a default under or breach of any contract, indenture, mortgage, loan agreement, note, lease or other instrument filed as an exhibit to the Registration Statement or as an exhibit to any current document incorporated by reference therein to which the Company or any consolidated subsidiary is a party or by which any of them may be bound, or to which any of their property is subject, subject, in the case of clauses (A), (B) and (C) of this paragraph (ix), to

bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; provided, however, that for purposes of this paragraph (ix), such counsel need not express any opinion with respect to Federal or state securities laws, other antifraud laws or fraudulent transfer laws;

(x) Such counsel shall confirm (i) the opinion that, commencing with its taxable year ending December 31, 1993, the Company has been organized in conformity with the requirements for qualification as a REIT under the Code, and its proposed method of operation will enable it to satisfy the requirements for qualification and taxation as a REIT and (ii) that the discussion set forth under the caption "Federal Income Tax Considerations" in the Prospectus dated February 11, 1998, as supplemented by the discussion under the caption "Federal Income Tax Considerations" in the Prospectus Supplement dated March 12, 1999, to the extent it describes matters of law or legal conclusions, is correct in all material respects; in providing such opinion, such counsel may rely (i) upon the statements and representations contained in certificates provided by the Company and Two Penn Plaza REIT, Inc., (ii) without independent investigation, upon statements and representations contained in a certificate provided by Alexander's, Inc., (iii) without investigation, upon an opinion of Shearman & Sterling concerning the qualification of Alexander's as a REIT for federal income tax purposes and (iv) upon any other certificates or opinions of counsel as deemed necessary or appropriate in rendering such opinion and subject to an analysis of the Code, Treasury Regulations thereunder, judicial authority and current administrative rulings and such other laws and facts as deemed relevant and necessary;

(xi) Neither the Company nor the Operating Partnership is an "investment company" or an entity "controlled" by an "investment company", as such terms are defined in the Investment Company Act of 1940; and

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(xii) On the basis of the information which was reviewed in the course of the performance of the services referred to in their opinion considered in the light of their understanding of the applicable law (including the requirements of Form S-3 and the character of the prospectus contemplated thereby) and the experience they have gained through their practice under the 1933 Act, such counsel are of the opinion that each part of the Registration Statement, when such part became effective, and the Prospectus, as of the date of the Prospectus, appeared on their face to be appropriately responsive, in all material respects relevant to the offering of the Securities, to the requirements of the 1933 Act and the 1933 Act Regulations; and that nothing that came to their attention in the course of their review has caused them to believe that, insofar as relevant to the offering of the Securities, any part of the Registration Statement, when such part became effective, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus, as of its date, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; also, nothing that has come to such counsel's attention in the course of certain procedures (as described in such opinion) has caused such counsel to believe that the Prospectus, as of the date and time of delivery of such opinion, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that such opinion may state that the limitations inherent in the independent verification of factual matters and the character of determinations involved in the registration process are such that such counsel do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement or the Prospectus, except for those made under the caption "Description of Series B Preferred Shares" in the Prospectus insofar as they relate to the provisions of documents therein described, and that such counsel need not express any opinion or belief as to the financial statements or schedules or other financial data derived from accounting records contained in the Registration Statement or the Prospectus.

In giving these opinions, Sullivan & Cromwell may state that they are admitted to the bar of the State of New York and do not express any opinion as to the laws of any other jurisdiction other than the Federal laws of the United States of America and may rely (1) as to all matters of fact, upon certificates and written statements of officers and employees of and accountants for the Company and the Operating Partnership, (2) as to the qualification and good standing of the Company or any of its subsidiaries, upon opinions of counsel in such other jurisdictions and certificates of appropriate government officials and (3) as to matters of Maryland law, on the opinion of Ballard Spahr Andrews & Ingersoll.

FORM OF OPINION OF
SPECIAL MARYLAND COUNSEL TO THE COMPANY
TO BE DELIVERED PURSUANT TO
SECTION 5(c)

(i) The Company is a real estate investment trust duly organized and existing under and by virtue of the laws of the State of Maryland and is in good standing with the State Department of Assessments and Taxation of Maryland;

(ii) The Company has the trust power to own, lease and operate its properties and to conduct its business substantially as described in the Prospectus and to enter into and perform its obligations under this Agreement;

(iii) The Company has an authorized capitalization as set forth in the Prospectus under the caption "Capitalization" (except for subsequent issuances, if any, pursuant to this Agreement or pursuant to the terms of reservations, agreements or employee benefit plans, including, without limitation, the Vornado Realty Trust Omnibus Share Plan, dividend reinvestment plans and employee or director stock option plans, or the exercise of options outstanding on the date hereof, and in each case referred to in the Prospectus), and all of the issued and outstanding shares of beneficial interest of the Company have been duly and validly authorized and issued and are fully paid and nonassessable; the issued and outstanding shares of beneficial interest of the Company have been duly authorized and validly issued and are fully paid and nonassessable; and none of the outstanding shares of beneficial interest of the Company was issued in violation of any preemptive rights of any shareholder of the Company arising under Title 8 of the Corporations and Associations Article of the Annotated Code of Maryland ("Title 8") or the Declaration of Trust or Bylaws of the Company;

(iv) The issuance and sale of the Securities to the Underwriter pursuant to this Agreement have been duly authorized, and, when issued and delivered by the Company against payment therefor pursuant to this Agreement and the resolutions of the Board of Trustees and the duly authorized committee thereof authorizing their issuance, the Securities will be validly issued, fully paid and nonassessable;

(v) The information in the Prospectus under the heading "Description of Shares of Beneficial Interest" in the Prospectus and "Description of Series B Preferred Shares" in the Prospectus Supplement, to the extent that it constitutes matters of Maryland law, summaries of legal matters, documents or proceedings or legal conclusions, has been reviewed by such counsel and is correct in all material respects;

(vi) The Securities conform in all material respects as to matters of Maryland law to the description thereof contained under the caption "Description of Shares of Beneficial

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Interest" in the Prospectus and "Description of Series B Preferred Shares" in the Prospectus Supplement and the form of certificate evidencing the Securities is in due and proper form in accordance with Title 8;

(vii) The issuance of the Securities is not subject to any preemptive or similar rights arising under Title 8, the Declaration of Trust or the Bylaws of the Company;

(viii) No authorization, approval, consent or order of any court or governmental authority or agency of the State of Maryland is required in connection with the offering, issuance or sale of the Securities to the Underwriter, except such as may be required under the 1933 Act or the 1933 Act Regulations or securities laws or regulations of any state or other jurisdiction;

(ix) This Agreement has been duly authorized by all necessary trust action of the Company, executed and, so far as is known to us, delivered by the Company;

(x) The execution and filing of Articles Supplementary relating to the Securities (the "Articles Supplementary") have been duly authorized by the Company and the Articles Supplementary have been executed in accordance with Title 8 and have been filed with the SDAT; and

(xi) The execution, delivery and performance of this Agreement, the consummation of the transactions contemplated herein and the compliance by the Company with its obligations hereunder will not result in any

violation of (A) the provisions of the Amended and Restated Declaration of Trust or Bylaws of the Company or (B) any applicable Maryland law or administrative regulation or, to the best knowledge of such counsel, administrative or court decree of the State of Maryland, except with respect to clause (B), such violations as would not have a material adverse effect on the general affairs, management, financial position, shareholders' equity or results of operations of the Company and its subsidiaries, and subject, in the case of clauses (A) and (B), to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles;

In giving these opinions, Ballard Spahr Andrews & Ingersoll, LLP may state that such opinions are limited to the laws of the States of Maryland and may rely (1) as to all matters of fact, upon certificates and written statements of officers and employees of and accountants for the Company and (2) as to the qualification and good standing of the Company or any of its subsidiaries in any other jurisdiction, upon opinions of counsel in such other jurisdictions and certificates of appropriate government officials.

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Section 3: EX-3.1 (FIFTH AMENDMENT TO SECOND AMENDED & RESTATED AGMT)

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FIFTH
AMENDMENT
TO
SECOND AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
VORNADO REALTY L.P.

Dated as of March 3, 1999

THIS FIFTH AMENDMENT TO THE SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF VORNADO REALTY L.P. (this "Amendment") is hereby adopted by Vornado Realty Trust, a Maryland real estate investment trust (defined therein as the "General Partner"), as the general partner of Vornado Realty L.P., a Delaware limited partnership (the "Partnership"). For ease of reference, capitalized terms used herein and not otherwise defined have the meanings assigned to them in the Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., as amended by the Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of December 16, 1997, and further amended by the Second Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of April 1, 1997, and the Third Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of November 12, 1998, and the Fourth Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of November 30, 1998 (as so amended and as the same may be further amended, the "Agreement").

WHEREAS, the General Partner desires to establish and set forth the terms of a new series of Partnership Interests designated as Series E-1 Convertible Preferred Units (the "Series E-1 Preferred Units");

WHEREAS, concurrently herewith, the Partnership and Commonwealth Atlantic Properties Inc., a Virginia corporation ("CAPI"), are entering into an Asset Contribution Agreement pursuant to which the Partnership agreed to acquire CAPI's interests in certain Crystal City commercial and hotel assets in exchange for the issuance by the

Partnership to CAPI of 4,998,000 Series E-1 Preferred Units;

WHEREAS, Section 4.2.A of the Agreement grants the General Partner authority to cause the Partnership to issue interests in the Partnership to a person other than the General Partner in one or more classes or series, with such designations, preferences and relative, participating, optional or other special rights, powers and duties as may be determined by the General Partner in its sole and absolute discretion so long as the issuance does not violate Section 4.2.E of the Agreement.

WHEREAS, the General Partner has determined that the establishment and

issuance of the Series E-1 Preferred Units will not violate Section 4.2.E of the Agreement.

WHEREAS, the General Partner desires to amend the Agreement to set forth the terms of the Series E-1 Preferred Units.

WHEREAS, Section 14.1.B of the Agreement grants the General Partner power and authority to amend the Agreement without the consent of any of the Partnership's limited partners if the amendment does not adversely affect or eliminate any right granted to a limited partner pursuant to any of the provisions of the Agreement specified in Section 14.1.C or Section 14.1.D of the Agreement as requiring a particular minimum vote; and

WHEREAS, the General Partner has determined that the amendment effected hereby does not adversely affect or eliminate any of the limited partner rights specified in Section 14.1.C or Section 14.1.D of the Agreement;

NOW, THEREFORE, the General Partner hereby amends the Agreement as follows:

1. The exhibit attached to this Amendment as Attachment 1 is hereby added to the Agreement as Exhibit L thereof.

2. Section 4.2 of the Agreement is hereby supplemented by adding the following paragraph to the end thereof:

"J. Issuance of Series E-1 Preferred Units. The Partnership is authorized to issue a series designated as "Series E-1 Convertible Preferred Units", which units

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shall have the terms set forth in Exhibit L attached hereto and made part hereof."

3. In making distributions pursuant to Section 5.1.B of the Agreement, the General Partner of the Partnership shall take into account the provisions of Paragraph 2 of Exhibit L to the Agreement, including, but not limited to, Paragraph 2.F(ii) thereof.

4. Section 8.6 of the Agreement is hereby supplemented by adding the following paragraph to the end thereof:

"I. Series E-1 Preferred Unit Exception. Holders of Series E-1 Preferred Units shall not be entitled to the Redemption Right provided for in Section 8.6.A of this Agreement."

5. Section 11.3.E of the Agreement is hereby amended to delete the proviso contained therein. As amended, Section 11.3.E now reads:

"E. No Transfers to Holders of Nonrecourse Liabilities. No pledge or transfer of any Partnership Units may be made to a lender to the Partnership or any Person who is related (within the meaning of Section 1.752-4(b) of the Regulations) to any lender to the Partnership whose loan constitutes a Nonrecourse Liability without the consent of the General Partner, in its sole and absolute discretion."

6. Certain Pledged Interests. To secure its obligations under that certain Promissory Note, dated as of the date hereof, made by Commonwealth Atlantic Properties Inc. ("CAPI") in favor of the Partnership, CAPI, a Limited Partner, is pledging 1,098,667 of the Series E-1 Preferred Units being issued to it concurrently herewith (represented by Certificate Nos. RELP-1 and RELP-2) pursuant to a Pledge and Security Agreement, dated as of the date hereof, by CAPI in favor of the Partnership.

7. Exhibit A of the Agreement is hereby deleted and is replaced in its entirety by new Exhibit A attached hereto as Attachment 2.

8. Except as expressly amended hereby, the Agreement shall remain in full force and effect.

SIGNATURES ON FOLLOWING PAGE

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IN WITNESS WHEREOF, the General Partner has executed this Amendment as of the date first written above.

VORNADO REALTY TRUST

By: Irwin Goldberg

EXHIBIT L
DESIGNATION OF THE PREFERENCES, RESTRICTIONS,
LIMITATIONS AS TO DISTRIBUTIONS, TERMS
AND CONDITIONS OF REDEMPTION, VOTING POWERS
AND OTHER QUALIFICATIONS

OF THE
SERIES E-1 CONVERTIBLE PREFERRED UNITS

1. Definitions.

When used herein, the following terms shall have the definitions set forth below; all other capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement and the Exhibits thereto.

"Common Shares" shall mean the common shares of beneficial interest of the General Partner, par value \$.04 per share.

"Conversion Price" shall mean the price per Class A Unit at which the Series E-1 Preferred Units are redeemable by the Partnership or the General Partner pursuant to Paragraph 2.E(i)(a) below. The initial Conversion Price shall be \$44.00 per Class A Unit (equivalent to a conversion rate of 1.1364 Class A Units for each Series E-1 Preferred Unit). The Conversion Price is subject to adjustment as provided in Paragraph 2.E(vi) below.

"Distribution Payment Date" shall mean the first calendar day of January, April, July and October, in each year, commencing on April 1, 1999; provided, however, that if any Distribution Payment Date falls on any day other than a Business Day the distribution payment due on such Distribution Payment Date shall be paid on the first Business Day immediately following such Distribution Payment Date.

"Distribution Periods" shall mean quarterly distribution periods commencing on January 1, April 1, July 1 and October 1 of each year and ending on and including the day preceding the first day of the next succeeding Distribution Period (other than the Initial Distribution Period).

"Initial Distribution Period" shall mean the quarterly distribution period
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commencing March 3, 1999 and ending on (and including) March 31, 1999.

"Junior Units" shall have the meaning set forth in Paragraph 2.F(c) below.

"Liquidation Preference" shall have the meaning set forth in Paragraph 2.C(i) below.

"Parity Units" shall have the meaning set forth in Paragraph 2.F(b) below.

"Partnership Redemption Date" shall have the meaning set forth in Paragraph 2.D(iii) below.

"Series B Preferred Units" means collectively, the Partnership's outstanding Series B-1 Preferred Units and Series B-2 Restricted Preferred Units, the terms of which are which set forth in Exhibit I to the Partnership Agreement.

"Series E-1 Notice of Redemption" shall have the meaning set forth in Paragraph 2.E(i)(a).

"Series E-1 Preferred Unit" means a Partnership Unit issued by the Partnership under the designation "Series E-1 Convertible Preferred Unit" and having the preferences, conversion and other rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption as are set forth in this Exhibit.

"Series E-1 Redeeming Partner" shall have the meaning set forth in Paragraph 2.E(i)(a) hereof.

"Series E-1 Redemption Right" shall have the meaning set forth in Paragraph 2.E(i)(a) hereof.

"Series E-1 Specified Redemption Date" shall mean: (A) in the event of the exercise of a Series E-1 Redemption Right pursuant to Paragraph 2.E(i)(a)(x), the tenth Business Day after receipt by the General Partner of a Series E-1 Notice of Redemption; and (B) in the event of the exercise of a

Series E-1 Redemption Right pursuant to Paragraph 2.E(i)(a)(y), the sixtieth day after receipt by the General Partner of a Series E-1 Notice of Redemption in respect of the Series E-1 Preferred Units; provided, however, that if the redemption in question will constitute a "block transfer" as defined in Treasury Regulation Section 1.7704-1(2) the Series E-1 Specified Redemption Date shall

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mean the tenth Business Day after receipt by the General Partner of a Series E-1 Notice of Redemption relating thereto.

"set apart for payment" shall be deemed to include, without any action other than the following, the recording by the Partnership or the General Partner on behalf of the Partnership in its accounting ledgers of any accounting or bookkeeping entry which indicates, pursuant to a declaration of a distribution by the General Partner, the allocation of funds to be so paid on any series or class of Partnership Units; provided, however, that if any funds for any class or series of Junior Units or any class or series of Partnership Units ranking on a parity with the Series E-1 Preferred Units as to the payment of distributions are placed in a separate account of the Partnership or delivered to a disbursing, paying or other similar agent, then "set apart for payment" with respect to the Series E-1 Preferred Units shall mean placing such funds in a separate account or delivering such funds to a disbursing, paying or other similar agent.

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

2. Terms of the Series E-1 Preferred Units.

A. Number. As of the close of business on the date of the amendment pursuant to which this Exhibit was adopted, the total number of Series E-1 Preferred Units issued and outstanding will be up to 4,998,000. The General Partner may issue additional Series E-1 Preferred Units from time to time in accordance with the terms of the Agreement, and in connection with any such additional issuance the General Partner shall revise Exhibit A to the Agreement to reflect the total number of Series E-1 Preferred Units then issued and outstanding.

B. Distributions. (i) The holders of Series E-1 Preferred Units shall be entitled to receive, when, as and if declared by the General Partner, distributions payable in cash at the rate per annum of: (a) 6.00% of the Liquidation Preference (as defined below) (\$3.00 per Series E-1 Preferred Unit) for distributions paid in respect of the period from the date of issuance through, but excluding, the first anniversary of that date, (b) 6.25% of the Liquidation Preference (\$3.125 per Series E-1 Preferred Unit) for distributions paid in respect of the period from the first anniversary of the date of issuance through, but excluding, the second anniversary of that date, (c) 6.50% of the Liquidation Preference (\$3.25 per Series E-1 Preferred Unit) for distributions paid in

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respect of the period from the second anniversary of the date of issuance through, but excluding, the seventh anniversary of the date of issuance, and (d) 6.75% of the Liquidation Preference (\$3.375 per Series E-1 Preferred Unit) for distributions paid in respect of any period thereafter (the applicable rate, the "Annual Distribution Rate"). Such distributions shall be cumulative from the date of issuance and shall be payable quarterly, when, as and if authorized and declared by the General Partner, in arrears on each Distribution Payment Date commencing on the first Distribution Payment Date after the date of issuance of the Series E-1 Preferred Units; provided that the amount per Series E-1 Preferred Unit to be paid in respect of the Initial Distribution Period shall be determined in accordance with paragraph (ii) below. Accumulated and unpaid distributions for any past Distribution Periods may be declared and paid at any time, without reference to any regular Distribution Payment Date.

(ii) The amount of distribution per Series E-1 Preferred Unit accruing in each full Distribution Period shall be computed by dividing the applicable Annual Distribution Rate by four and multiplying the quotient by the Liquidation Preference, it being understood that distributions accruing in any Distribution Period in which the Annual Distribution Rate changes shall be determined using the blended average of the applicable Annual Distribution Rates for such period, determined pro rata based on the number of days in the Distribution Period that each Annual Distribution Rate was in force and assuming a Distribution Period of 90 days. The amount of distributions payable on the Series E-1 Preferred Units for the Initial Distribution Period and for any other period shorter or longer than a full Distribution Period shall be computed on the basis of the actual number of days in such period and a 360-day year of twelve 30-day months. The holders of Series E-1 Preferred Units shall not be entitled to any distributions, whether payable in cash, property or securities,

in excess of cumulative distributions, as herein provided, on the Series E-1 Preferred Units. No interest, or sum of money in lieu of interest, shall be payable in respect of any distribution payment or payments on the Series E-1 Preferred Units that may be in arrears.

(iii) So long as any Series E-1 Preferred Units are outstanding, no distributions, except as described in the immediately following sentence, shall be declared or paid or set apart for payment on any series or class or classes of Parity Units for any period unless full cumulative distributions have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment on the Series E-1 Preferred Units for all Distribution Periods terminating on or prior to the distribution payment date on such class or series of Parity Units (as defined below), except in the case of distributions on the Series B-2 Restricted Preferred Units to the extent not paid due to a lack of funds in the Nongovernmental Account. When distributions are not paid in full or a sum sufficient for such payment is not set apart, as aforesaid, all distributions declared upon Series E-1 Preferred Units and all distributions declared upon any other series or class or classes of Parity Units shall be declared ratably in proportion to the respective amounts of distributions accumulated and unpaid on the Series E-1 Preferred Units and such Parity Units, except in the case of distributions on the Series B-2 Restricted Preferred Units to the extent not paid due to a lack of funds in the Nongovernmental Account.

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(iv) So long as any Series E-1 Preferred Units are outstanding, no distributions (other than distributions paid solely in Junior Units or options, warrants or rights to subscribe for or purchase Junior Units) shall be declared or paid or set apart for payment or other distribution declared or made upon Junior Units, nor shall any Junior Units be redeemed, purchased or otherwise acquired by the Partnership or the General Partner (other than pursuant to Section 8.6 of the Agreement or another redemption, purchase or other acquisition right granted concurrently with the issuance of such Junior Units), for any consideration (or any moneys to be paid to or made available for a sinking fund for the redemption of any such Junior Units) by the Partnership or the General Partner, directly or indirectly (except by conversion into or exchange for Junior Units), unless in each case (a) the full cumulative distributions on all outstanding Series E-1 Preferred Units and any other Parity Units of the Partnership shall have been paid or set apart for payment for all past Distribution Periods with respect to the Series E-1 Preferred Units and all past distribution periods with respect to such Parity Units, except to the extent that distributions on the Series B-2 Restricted Preferred Units are not then able to be paid owing to a lack of funds in the Nongovernmental Account, and (b) sufficient funds shall have been paid or set apart for the payment of the distribution for the current Distribution Period with respect to the Series E-1 Preferred Units and any Parity Units, except to the extent that distributions on the Series B-2 Restricted Preferred Units are not then able to be paid owing to a lack of funds in the Nongovernmental Account.

C. Liquidation Preference. (i) In the event of any liquidation, dissolution or winding up of the Partnership or the General Partner, whether voluntary or involuntary, before any payment or distribution of the assets of the Partnership shall be made to or set apart for the holders of Junior Units, holders of the Series E-1 Preferred Units shall be entitled to receive Fifty Dollars (\$50.00) per Series E-1 Preferred Unit (the "Liquidation Preference") plus an amount equal to all distributions (whether or not earned or declared) accrued and unpaid thereon to the date of final distribution to the holders of such units; but the holders of the Series E-1 Preferred Units shall not be entitled to any further payment. If, upon any such liquidation, dissolution or winding up of the Partnership or the General Partner, the assets of the Partnership, or proceeds thereof, distributable to the holders of the Series E-1 Preferred Units shall be insufficient to pay in full the preferential amount aforesaid and liquidating payments on any other Parity Units, then such assets, or the proceeds thereof, shall be distributed among the holders of the

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Series E-1 Preferred Units and the holders of any such other Parity Units ratably in accordance with the respective amounts that would be payable on such Series E-1 Preferred Units and any such other Parity Units if all amounts payable thereon were paid in full. For the purposes of this Paragraph 2.C, (i) a consolidation or merger of the Partnership or the General Partner with one or more entities, (ii) a statutory share exchange by the Partnership or the General Partner and (iii) a sale or transfer of all or substantially all of the Partnership's or the General Partner's assets, shall not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, of the Partnership or General Partner.

(ii) Subject to the rights of the holders of Partnership Units of any series or class or classes ranking on a parity with or prior to the Series E-1 Preferred Units upon any liquidation, dissolution or winding up of the General Partner or the Partnership, after payment shall have been made in full to the holders of the Series E-1 Preferred Units as provided in this Paragraph, any series or class or classes of Junior Units shall, subject to any respective terms and provisions applying thereto, be entitled to receive any and

all assets remaining to be paid or distributed, and the holders of the Series E-1 Preferred Units shall not be entitled to share therein.

D. Redemption of the Series E-1 Preferred Units. (i) The Series E-1 Preferred Units shall not be redeemable by the Partnership prior to March 3, 2004. On and after March 3, 2004, the General Partner may, at its option, cause the Partnership to redeem all or any portion of the Series E-1 Preferred Units for cash in an amount set forth in paragraph D(ii) below and subject to the other provisions of this Paragraph 2.D.

(ii) Upon redemption of Series E-1 Preferred Units by the Partnership on the Partnership Redemption Date (as defined below) pursuant to this Paragraph 2.D, each holder of a Series E-1 Preferred Unit so redeemed shall receive cash in the amount of \$50 per Unit plus all accrued and unpaid distributions (whether or not declared) in arrears for any Distribution Period or portion thereof ending on or prior to the Partnership Redemption Date (the "Series E-1 Redemption Price"). If the Partnership Redemption Date falls after the record date for a distribution payment and before the related Distribution Payment Date, the holder of the Series E-1 Preferred Units to which such redemption applies shall be entitled to such distributions notwithstanding the redemption of such Series E-1 Preferred Units. Except as provided above and in clause (v) below, the Partnership shall make no payment or allowance for unpaid distributions, whether or not in arrears, on Series E-1 Preferred Units called for redemption.

(iii) If fewer than all of the outstanding Series E-1 Preferred Units held by persons other than the General Partner are to be redeemed, the Series E-1 Preferred Units to be redeemed from each such holder (other than the General Partner, it being understood that the Partnership may elect to redeem all of the Series E-1 Preferred Units

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held by the General Partner prior to redeeming any other Series E-1 Preferred Units) shall be selected pro rata as nearly as practicable without creating fractional units. Any notice of redemption delivered pursuant to this Paragraph 2.D(iii) will be mailed by the Partnership, by certified mail, postage prepaid, not less than 10 nor more than 60 days prior to the date upon which such redemption is to occur, which date shall be a date that, as of the mailing of the notice, the Partnership, in its sole judgment, reasonably expects will be a Business Day (the "Partnership Redemption Date"), addressed to each holder of record of the Series E-1 Preferred Units at such holder's address as it appears on the records of the Partnership. No failure to give or defect in such notice shall affect the validity of the proceedings for the redemption of any Series E-1 Preferred Units. In addition to any information required by law, each such notice shall state: (a) the Partnership Redemption Date, (b) the Series E-1 Redemption Price, (c) the aggregate number of Series E-1 Preferred Units to be redeemed and, if fewer than all of the outstanding Series E-1 Preferred Units are to be redeemed, the number of Series E-1 Preferred Units to be redeemed held by such holder, which number shall to the extent practicable be such holder's pro rata share (based on the percentage of the aggregate number of outstanding Series E-1 Preferred Units not held by the General Partner that the total number of Series E-1 Preferred Units held by such holder represents and determined as nearly as practicable without creating fractional interests) of the aggregate number of Series E-1 Preferred Units held by persons other than the General Partner to be redeemed, (d) the place or places where such Series E-1 Preferred Units are to be surrendered for payment of the amount payable upon redemption and (e) that payment of such amount will be made upon presentation and surrender of such Series E-1 Preferred Units.

(iv) Such Series E-1 Preferred Units as may be held by the General Partner may be redeemed, in whole or in part, at the option of the General Partner, at any time, upon payment by the Partnership to the General Partner of the Series E-1 Redemption Price with respect to such Series E-1 Preferred Units.

(v) On and after a Partnership Redemption Date, distributions will cease to accumulate on the Series E-1 Preferred Units called for redemption, unless the Partnership defaults in payment of the full redemption price therefor. If, notwithstanding the Partnership's expectation when it established a Partnership Redemption Date, any date fixed for redemption of Series E-1 Preferred Units is not a Business Day, then payment of the redemption price payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day falls in the next calendar year, such payment will be made on the immediately preceding Business Day, in each case with the same force and effect as if made on the originally scheduled redemption

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date. If payment of the Series E-1 Redemption Price is improperly withheld or refused and not paid by the Partnership, distributions on such Series E-1 Preferred Units will continue to accumulate from the originally scheduled redemption date to the date of payment, in which case the actual payment date

will be considered the Partnership Redemption Date for purposes of calculating the Series E-1 Redemption Price.

(vi) If full cumulative distributions on the Series E-1 Preferred Units and any other series or class or classes of Parity Units of the Partnership have not been paid or declared and set apart for payment, then except in fulfillment of an exercise of the redemption rights set forth in Paragraph 2.E below or, in the case of Parity Units, the exercise of any similar redemption, conversion or other similar option granted concurrently with the issuance of such Parity Units, and except to the extent that such distributions or amounts distributable on the Series B-2 Restricted Preferred Units may not be payable due to a lack of funds in the Nongovernmental Account, the Partnership may not redeem Series E-1 Preferred Units held by persons other than the General Partner or any Parity Units and neither the Partnership nor the General Partner may purchase, redeem or otherwise acquire Series E-1 Preferred Units or any Parity Units other than in exchange for Junior Units.

(vii) If fewer than all the Series E-1 Preferred Units represented by any certificate are redeemed, the Partnership shall issue new certificates representing the unredeemed Series E-1 Preferred Units without cost to the holders thereof.

E. Series E-1 Preferred Unit Holder Redemption Right.

(i) General. (a) Commencing on the earlier of May 1 or November 1 first following the first anniversary of the date of issuance, and subject to the remainder of this Paragraph 2.E, a holder of the Series E-1 Preferred Units shall have the right (the "Series E-1 Redemption Right") to require the Partnership to redeem Series E-1 Preferred Units held by it on the Series E-1 Specified Redemption Date for, at the holder's election, either (x) the number of fully paid and non-assessable Class A Units obtained by dividing the aggregate Liquidation Preference of the Series E-1 Preferred Units being redeemed by the Conversion Price (as in effect at the time and on the Series E-1 Specified Redemption Date) or (y) cash at a redemption price obtained by multiplying the number of Class A Units that would have been receivable under the preceding clause (x) by the Value on the redemption date of one Common Share. Upon such redemption the Partnership shall also pay the partner exercising the Series E-1 Redemption Right (the "Series E-1 Redeeming Partner") any accumulated and unpaid distributions (whether or not declared) for the Series E-1 Preferred Units for any Distribution Period ending prior to the Series E-1 Specified Redemption Date. Any such Series E-1 Redemption Right shall be exercised pursuant to a notice of redemption comparable to the Notice of Redemption required under Section 8.6 of the Agreement (such notice, a "Series E-1 Notice of Redemption")

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delivered to the Partnership (with a copy to the General Partner) by the Series E-1 Redeeming Partner. In addition, except as otherwise provided herein to the contrary, any redemption pursuant to the Series E-1 Redemption Right shall be subject to all of the provisions of the Agreement limiting redemptions under Paragraph 8.6 of the Agreement as if it were a redemption under that section.

(b)The Series E-1 Redeeming Partner shall have no right with respect to any Series E-1 Preferred Units so redeemed to receive any distributions paid after the Series E-1 Specified Redemption Date, unless the record date for the distribution preceded the Series E-1 Specified Redemption Date. If the record date for such distribution was a date prior to the Series E-1 Specified Redemption Date and the Distribution Payment Date in respect of such distribution was a date after the Series E-1 Specified Redemption Date, such Series E-1 Redeeming Partner shall be required, as a condition of the redemption of such Series E-1 Preferred Units, to pay the amount of such distribution to the Partnership (if such Series E-1 Preferred Units are redeemed for cash) or to the General Partner (if such Series E-1 Preferred Units are redeemed for Common Shares). If payment of the redemption price required under Paragraph 2.E(i)(a) above is improperly withheld or refused and not paid by the Partnership, distributions on such Series E-1 Preferred Units will continue to accumulate from the originally scheduled redemption date to the date of payment, in which case the actual payment date will be considered the Series E-1 Specified Redemption Date for purposes of calculating the redemption price.

(c)The Assignee of any Limited Partner may exercise the rights of such Limited Partner pursuant to this Paragraph 2.E, and such Limited Partner shall be deemed to have assigned such rights to such Assignee and shall be bound by the exercise of such rights by such Limited Partner's Assignee. In connection with any exercise of the such rights by such Assignee on behalf of such Limited Partner, the redemption price and any accumulated and unpaid distributions shall be paid by the Partnership directly to such Assignee and not to such Limited Partner.

(ii) General Partner Assumption of Right. (a) If the holder of the Series E-1 Preferred Units has delivered a Series E-1 Notice of Redemption and has specified that the redemption is to be satisfied in cash (as opposed to Class A Units), the General Partner may, in its sole and absolute discretion (subject to any limitations on ownership and transfer of Shares set forth in the

Declaration of Trust), elect to assume directly and satisfy the Series E-1 Redemption Right by delivering to the Series E-1 Redeeming Partner on the Series E-1 Specified Redemption Date either (x) the cash redemption price required in Paragraph 2.E(i)(a)(y) above or (y) a number of Common Shares equal to the number of Class A Units that would have been issuable by the

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Partnership if the Series E-1 Redeeming Partner had elected to redeem its Series E-1 Preferred Units for Class A Common Units pursuant to Paragraph 2.E(i)(a)(x) above (subject to modification as set forth in Paragraph 2.E(ii)(c) and Paragraph 2.E(vi) below). Unless the General Partner, in its sole and absolute discretion, shall exercise its right to assume directly and satisfy the Series E-1 Redemption Right, the General Partner shall not have any obligation to the Redeeming Partner or to the Partnership with respect to the Series E-1 Redeeming Partner's exercise of the Series E-1 Redemption Right. In the event the General Partner shall exercise its right to satisfy the Series E-1 Redemption Right in the manner described in the first sentence of this paragraph (ii) and shall fully perform its obligations in connection therewith, the Partnership shall have no right or obligation to pay any amount to the Series E-1 Redeeming Partner with respect to such partner's exercise of the Series E-1 Redemption Right, and each of the Series E-1 Redeeming Partner, the Partnership and the General Partner shall, for federal income tax purposes, treat the transaction between the General Partner and the Series E-1 Redeeming Partner as a sale of the partner's Series E-1 Preferred Units to the General Partner. Nothing contained in this paragraph (ii) shall imply any right of the General Partner to require any holder of Series E-1 Preferred Units to exercise the Series E-1 Redemption Right afforded pursuant to paragraph (i) above.

(b) In the event that the Partnership redeems Series E-1 Preferred Units for cash in accordance with Paragraph 2.E(i)(a)(y), the units so redeemed shall be terminated. In the event that the General Partner determines to acquire the Series E-1 Redeeming Partner's Series E-1 Preferred Units, whether for cash or Common Shares, then upon acquisition of such units by the General Partner, the General Partner shall be treated for all purposes of the Agreement as the owner of those Series E-1 Preferred Units so acquired and concurrently with any such acquisition of Series E-1 Preferred Units by the General Partner for Common Shares, the Series E-1 Preferred Units so acquired shall automatically be converted into a number of Class A Units equal to the number of Common Shares paid by the General Partner to acquire those Units (subject to modification as set forth in paragraph (c) below). Regardless of the method of redemption or consideration paid, any accumulated and unpaid distributions on Series E-1 Preferred Units for any period following the most recently completed Distribution Period preceding to the date of redemption shall be extinguished upon redemption.

(c) In the event that the General Partner shall be a party to any transaction (including, without limitation, a merger, consolidation or statutory share exchange with respect to the Series E-1 Preferred Shares), in each case as a result of which Common Shares are converted into the right to receive shares of capital stock, other securities or other property (including cash or any combination thereof), thereafter the redemption price payable by the General Partner pursuant to Paragraph 2.E(i)(a)(x) in lieu of a Common Share shall be the kind and amount of shares of capital stock and other securities and property (including cash or any combination thereof) that was received

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upon consummation of such transaction in return for one Common Share; and the General Partner may not become a party to any such transaction unless the terms thereof are consistent with the foregoing.

(d) Each Redeeming Partner agrees to execute such documents as the General Partner may reasonably require in connection with the issuance of Common Shares upon exercise of the Series E-1 Redemption Right.

(iii) Exceptions to Exercise of Redemption Right.

Notwithstanding the provisions of paragraphs (i) and (ii) above, a Partner shall not be entitled to exercise the Series E-1 Redemption Right pursuant to Section 2.E(i)(a)(y) if (but only as long as) the delivery of Common Shares to such Partner on the Series E-1 Specified Redemption Date (a) would be prohibited under the Declaration of Trust, or (b) as long as the Common Shares are Publicly Traded, would be prohibited under applicable federal or state securities laws or regulations (assuming the General Partner would in fact assume and satisfy the Series E-1 Redemption Right).

(iv) No Liens on Partnership Units Delivered for Redemption.

All Series E-1 Preferred Units delivered for redemption must be delivered to the Partnership or the General Partner, as the case may be, free and clear of all liens, and, notwithstanding anything contained herein to the contrary, neither the General Partner nor the Partnership shall be under any obligation to acquire Series E-1 Preferred Units which are or may be subject to any liens. In the event any state or local property transfer tax is payable as a result of the

transfer of its Series E-1 Preferred Units to the Partnership or the General Partner, the redeeming partner must assume and pay such transfer tax.

(v) No fractional Class A Unit or fractional Common Share shall be issued upon redemption of any Series E-1 Preferred Unit. Instead, the Partnership or General Partner, as applicable, shall pay the Series E-1 Redeeming Partner an amount in cash based upon the Value of the Common Shares on the Trading Day immediately preceding the date of redemption.

(vi) The Conversion Price shall be adjusted in a manner comparable to the adjustment of the conversion price applicable to the Series A Preferred Shares of the General Partner as provided in Section 7(d) of the Articles Supplemental (\$3.25 Series A Convertible Preferred Shares) of the Declaration of Trust of the General Partner.

(vii) Notwithstanding the prohibition on redemption during the first year following issuance of a Class A Unit stated in the first sentence of Section 8.6.A(i) of the Agreement, the redemption rights granted in Section 8.6.A shall be available with respect to any Class A Unit issued in fulfillment of the Partnership's redemption obligations pursuant to this Paragraph 2.E at any time commencing on the earlier of May

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1 or November 1 first following the first anniversary of the date of issuance of the Series E-1 Preferred Unit in respect of which said Class A Unit was issued.

(viii) In the event that the General Partner provides notice to the Limited Partners, pursuant to Section 8.5.C of the Agreement, then in addition to the rights otherwise granted in Paragraph 2.E(i), the redemption right granted in Paragraph 2.E(i) (if then available) shall be exercisable for cash as contemplated in Paragraph 2.E(i)(a)(y) during the period commencing on the date on which the General Partner provides such notice and ending on the record date to determine shareholders eligible to receive the distribution or vote upon the approval of the merger, sale or other extraordinary transaction to which the Section 8.5.C notice relates (or, if no such record date is applicable, the date that is twenty (20) days after the date on which the General Partner provides such notice on the additional terms set forth in the next sentence.) In the event that this paragraph (viii) applies, the Series E-1 Specified Redemption Date shall be the sooner of (1) the sixtieth (60th) day (or, if applicable pursuant to the definition of the term "Series E-1 Specified Redemption Date", the tenth (10th) Business Day) after the Partnership receives the Series E-1 Redemption Notice or (2) the Business Day immediately preceding the record date to determine shareholders eligible to receive a distribution or vote on approval; provided that if such time period determined pursuant to clause (1) or (2) above expires in less than sixty (60) days (or, if applicable, ten (10) Business Days) and the General Partner does not elect to redeem the subject Series E-1 Preferred Units for Common Shares, the Partnership will have up to sixty (60) days (or, if applicable, ten (10) Business Days) from receipt of the Series E-1 Redemption Notice to deliver payment in respect of such Series E-1 Preferred Units.

F. Ranking. (i) Any class or series of Partnership Units shall be deemed to rank:

(a) prior to the Series E-1 Preferred Units, as to the payment of distributions and as to distribution of assets upon liquidation, dissolution or winding up of the General Partner or the Partnership, if the holders of such class or series of Preferred Units shall be entitled to the receipt of distributions or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of Series E-1 Preferred Units;

(b) on a parity with the Series E-1 Preferred Units, as to the payment of distributions and as to the distribution of assets upon liquidation, dissolution or winding up of the General Partner or the Partnership, whether or not the distribution rates, distribution payment dates or redemption or liquidation prices per Partnership Unit be different from those of the Series E-1 Preferred Units, if the holders of such Partnership Units of such class or series and the Series E-1 Preferred Units shall be entitled to the receipt of distributions and of amounts distributable upon liquidation, dissolution or

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winding up in proportion to their respective amounts of accrued and unpaid distributions per Partnership Unit or liquidation preferences, without preference or priority one over the other, except to the extent that such distributions or amounts distributable on the Series B-2 Restricted Preferred Units may not be payable due to a lack of funds in the Nongovernmental Account ("Parity Units"); and

(c) junior to the Series E-1 Preferred Units, as to the payment of distributions or as to the distribution of assets upon liquidation, dissolution or winding up of the General Partner or the Partnership, if such class or series of Partnership Units shall be Class A Units or if the holders of Series E-1 Preferred Units shall be entitled to receive distributions or amounts

distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of Partnership Units of such class or series ("Junior Units").

(ii) The Series A Preferred Units, the Series B Preferred Units, the Series C-1 Preferred Units and the Series D-1 Preferred Units shall be Parity Units with respect to the Series E-1 Preferred Units and the holders of the Series E-1 Preferred Units, the Series A Preferred Units, Series B Preferred Units, Series C-1 Preferred Units and Series D-1 Preferred Units shall be entitled to receive distributions and amounts distributable upon liquidation, dissolution or winding up in proportion to their respective amounts of accrued and unpaid distributions per Partnership Unit or liquidation preferences, without preference or priority one over the other, except in the case of distributions on the Series B-2 Restricted Preferred Units to the extent not payable due to a lack of funds in the Nongovernmental Account and except that:

(a) For so long as the Class C Units are outstanding, the Series E-1 Preferred Units shall not rank senior to the Class C Units as to preferential distributions or redemption or voting rights and shall receive: (i) accumulated and unpaid distributions on a basis *pari passu* with distributions made to the holders of Class C Units pursuant to Subsection 5.1.B(iv) of the Agreement and (ii) other distributions on a basis *pari passu* with distributions made to the holders of Class C Units pursuant to Subsection 5.1.B(v) of the Agreement.

(b) For so long as the Class D Units are outstanding, the Series E-1 Preferred Units shall not rank senior to the Class D Units as to preferential distributions or redemption or voting rights. For so long as the Class D Units are outstanding (and the Class C Units are no longer outstanding), the Series E-1 Preferred Units shall receive: (i) accumulated and unpaid distributions on a basis *pari passu* with distributions made to the holders of any outstanding Class D Units pursuant to Subsection 5.1.B(ii) of the

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Agreement and (ii) other distributions on a basis *pari passu* with distributions made to the holders of any outstanding Class D Units pursuant to Subsection 5.1.B(iii) of the Agreement.

(c) When the Class C Units and Class D Units are no longer outstanding, the Series E-1 Preferred Units shall receive distributions on a basis *pari passu* with other Partnership Units, if any, receiving distributions pursuant to Section 5.1.B(i) of the Agreement, except to the extent that distributions on the Series B-2 Restricted Preferred Units may not be paid due to a lack of funds in the Nongovernmental Account.

(d) Distributions made pursuant to Subsections F(ii)(a) and F(ii)(b) of this Exhibit L shall be made *pro rata* with other distributions made to other Partnership Units as to which they rank *pari passu* based on the ratio of the amounts to be paid the Series E-1 Preferred Units and such other Partnership Units, as applicable, to the total amounts to be paid the Series E-1 Preferred Units and such other Partnership Units taken together on the Partnership Record Date, except in the case of distributions on the Series B-2 Restricted Preferred Units to the extent such distribution may not be paid due to a lack of funds in the Nongovernmental Account.

(iii) For purposes of allocations of items made pursuant to Article VI of the Agreement:

(a) As long as Class C Units are outstanding, the Series E-1 Preferred Units shall be allocated items *pari passu* with the allocation of items to holders of Class C Units in respect of their priority payments (i.e., as allocated in Section 6.1.A (v), (vi) and (vii) and Section 6.1.B (v), (vi) and (vii) of the Agreement) and shall share in those allocations in a *pro rata* manner based on the distributions and allocations of items, as applicable, made to such Partnership Units, as applicable; references to Class C Units in Article VI of the Agreement shall be deemed to also refer to Series E-1 Preferred Units except that references to distributions made to the Class C Units shall be deemed to refer to distributions made to the Series E-1 Preferred Units in a *pro rata* manner with such distributions made to the Class C Units.

(b) As long as the Class D Units are outstanding (and the Class C Units are no longer outstanding), the Series E-1 Preferred Units shall be allocated items *pari passu* with the allocation of items to the holders of Class D Units in respect of their priority payments (i.e., as allocated in Section 6.1.A (iii) and (vi) and Section 6.1.B (viii) and (ix) of the Agreement) and shall share in those allocations in a *pro rata* manner based on the distributions and allocations of items, as applicable, made to such Partnership Units, as applicable; references to Class D Units in Article VI of the Agreement shall be deemed to also refer to Series E-1 Preferred Units except that references to distributions made to the Class D Units shall be deemed to refer to distributions made to the Series E-1

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Preferred Units in a pro rata manner with such distributions made to the Class D Units.

(c) When the Class C Units and Class D Units are no longer outstanding, the Series E-1 Preferred Units shall be allocated items pari passu with the allocation of items to holders of Preference Units (i.e., as allocated in Section 6.1.A (ii) and Section 6.1.B (x) of the Agreement) and shall share in those allocations in a pro rata manner based on the distributions and allocations of items, as applicable, made to Preference Units, as applicable; references to Preference Units in Article VI of the Agreement shall be deemed to also refer to Series E-1 Preferred Units except that references to distributions made to Preference Units shall be deemed to refer to distributions made to the Series E-1 Preferred Units in a pro rata manner with such distributions, if any, made to the Preference Units.

G. Voting. (i) Except as required by law or as required under Section 14.1.D of the Agreement, the holders of the Series E-1 Preferred Units shall not be entitled to vote at any meeting of the Partners or for any other purpose or otherwise to participate in any action taken by the Partnership or the Partners, or to receive notice of any meeting of the Partners. When entitled to vote on a matter being submitted to holders of Partnership Units of more than one Class or Series, the Series E-1 Preferred Units shall vote together as a class.

(ii) So long as any Series E-1 Preferred Units are outstanding, the General Partner shall not authorize the issuance of, and the Partnership shall not issue, Partnership Units of any new class or series or any interest in the Partnership convertible, exchangeable or redeemable into Partnership Units of any new class or series ranking prior to the Series E-1 Preferred Units as to the payment of distributions or as to the distribution of assets on any liquidation, dissolution or winding up of the General Partner or the Partnership, unless (i) such Partnership Units are issued to the General Partner and the distribution and redemption (but not voting) rights of such Partnership Units are substantially similar to the terms of securities issued by the General Partner and the proceeds or other consideration from the issuance of such securities have been or are concurrently with such issuance contributed to the Partnership or (ii) the aggregate liquidation preference of all such issued and outstanding Partnership Units (excluding for purposes hereof any Partnership Units of the type referred to in the preceding clause (i)) does not exceed \$350,000,000, it being understood that the General Partner and the Partnership shall have the absolute right to authorize and issue any such Partnership Units so long as the aggregate liquidation preference of all such Units (excluding for purposes hereof any Partnership Units of the type referred to in the preceding clause (i)) outstanding at any time when any Series E-1 Preferred Units are also outstanding shall

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not exceed \$350,000,000.

H. Restrictions on Ownership and Transfer. (i) Transfers of Series E-1 Preferred Units shall be governed by Article XI of the Agreement.

(ii) No person may, while owning, directly or indirectly, equity interests in the Partnership with an aggregate value equal to or exceeding 5% of the total value of the outstanding equity interests in the Partnership, own, either directly or under the attribution rules of Section 318(a) of the Code (as modified by Section 856(d)(5) of the Code, and using the principles of Section 7704(d)(3)(B) of the Code in determining when interests owned, directly or under the attribution rules, by a partner in an entity that is treated as a partnership for federal tax purposes as owned by such entity), any equity interests in Vornado Operating Company, Vornado Operating L.P., Charles E. Smith Commercial Realty L.P. ("CSCR") or any direct or indirect tenant or subtenant of the Partnership or any of its subsidiaries; (Vornado Operating Company, Vornado Operating L.P., CSCR or any direct or indirect tenant or subtenant of the Partnership or its subsidiaries, collectively, the "Vornado Tenants"); provided, (1) that while the direct or indirect holder of the Series E-1 Preferred Units is Commonwealth Atlantic Properties Inc. ("CAPI") or Commonwealth Atlantic-Crystal City OP Holding Inc., only equity interests in Vornado Tenants actually owned by CAPI, entities controlled by CAPI, LF Strategic Realty Investors, L.P. ("LFSRI") (during such period as LFSRI holds, directly or indirectly, an equity interest in CAPI), entities controlled by LFSRI (during such period as LFSRI holds, directly or indirectly, an equity interest in CAPI) and, solely in the case of Vornado Operating Company and Vornado Realty L.P., the general partners of LFSRI (during such period as LFSRI holds, directly or indirectly, an equity interest in CAPI) or entities controlled by any such general partner (during such period as LFSRI holds, directly or indirectly, an equity interest in CAPI) shall be taken into account, (2) that ownership of Vornado Tenants will not violate the provisions of this Paragraph 2.H(ii) if (x) the person owning, directly or indirectly, the Series E-1 Preferred Units owns, under the principles of this Paragraph 2.H(ii) less than 10% of the stock, assets or profits interests in the Vornado Tenant or (y) the aggregate amount of rent received or accrued from the Vornado Tenants in which the relevant person owns, under the principles of this Paragraph 2.H(ii), 10% or more of the stock, assets or profits interests constitutes less than 10% of the gross income of the Partnership, and (3) Vornado Tenant ownership shall

breach this provision only where the Vornado Tenant ownership would cause either (x) the General Partner to fail to qualify as a "real estate investment trust") for purposes of Section 856 of the Code or (y) the Partnership to be treated as a publicly traded partnership treated as a corporation under Section 7704(a) of the Code. If at any time any person would, but for the provisions of this Paragraph 2.H, own, directly or under the attribution rules of Section 318(a) of the Code (as modified by Section 856(d)(5) and Section 7704(d)(3)(B) of the Code, applying Section 7704(d)(3)(B) rather than Section 856(d)(5) in treating interests owned by a partner in an entity that is treated

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as a partnership for federal tax purposes as owned by such entity), (A) 5 percent or more (by value) of the outstanding equity interests in the Partnership and (B) an interest in a Vornado Tenant in violation of the preceding sentence, then, effective immediately prior to such point in time, a portion of the interests in the Partnership owned, either directly or indirectly, by such person (but limited to the E-1 Preferred Units) shall become "Excess Units". The portion that shall become Excess Units shall be the smallest portion necessary to cause such person to own, either directly or indirectly, interests in the Partnership with a value that is not in excess of 4.9 percent of the value of the Partnership's outstanding interests. While interests in the Partnership are Excess Units, such interests will be deemed to have been transferred by operation of law to a trust (the "Special Trust") for the exclusive benefit of an organization described in Section 501(c)(3) of the Code and designated by the General Partner. The Partnership, as trustee of the Special Trust, shall be entitled to receive all distributions made in respect of Excess Units. Any distributions made prior to the discovery that interests in the Partnership have become Excess Units shall be repaid to the Partnership as trustee of the Special Trust. The trustee shall exercise all rights associated with interests in the Partnership that become Excess Units during the period that such interests are Excess Units. The Partnership shall have the right to transfer the Excess Units held in the Special Trust to any person. The holder of the interests that became Excess Units (or such holder's successor) shall be entitled to receive, from the proceeds of such a transfer, an amount not in excess of the lesser of (X) the fair market value of the interests that became Excess Units on the date they became Excess Units and (Y) the consideration for the transfer of the Excess Units. Excess Units shall cease to be treated as Excess Units following such a transfer. In the event that a liquidating distribution is made in respect of Excess Units, the holder of the interests that became Excess Units (or such holder's successor) shall be entitled to receive a portion of such distribution not in excess of the fair market value of the interests that became Excess Units on the day they became Excess Units. The Partnership agrees that if it becomes aware that Partnership interests have become Excess Units, then it will make reasonable efforts to cause a transfer of such Excess Units as promptly as practicable; provided, however, that if such Partnership interests were held by CAPI or Commonwealth Atlantic - Crystal City OP Holdings Inc., then the Partnership will make reasonable efforts to cause a transfer of such Excess Units following January 2, 2004. No holder of Partnership Units will be subject to any liability for damages, monetary or otherwise, as a result of a breach of this Section H(ii), other than having their interests become Excess Units under this Section H(ii) and, as a result, being liable to pay over any distributions or other amounts which the holder receives to which it is not entitled under the Excess Units provisions of this Section H(ii).

(iii) Without the prior written consent of the Partnership,

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Preferred Units may not be transferred (x) through (1) a national, non-U.S., regional, local or other securities exchange, (2) PORTAL, or (3) an over-the-counter market (including an interdealer quotation system that regularly disseminates firm buy or sell quotations by identified brokers or dealers by electronic means or otherwise) or (y) to or through (A) a person, such as a broker or dealer, that makes a market in, or regularly quotes prices for, interests in the Partnership or (B) a person that regularly makes available to the public (including customers or subscribers) bid or offer quotes with respect to any interests in the Partnership and stands ready to effect transactions at the quoted prices for itself or on behalf of others.

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Attachment 2

EXHIBIT A (3/3/99) - CAPI TRANSACTION

VORNADO REALTY L.P.
PARTNERS AND PARTNERSHIP INTERESTS

CLASS OF UNITS

SERIES A PREFERRED UNITS	VALUE OF SERIES A	PERCENTAGE OF SERIES A	SERIES B-1 PREFERRED UNITS	VALUE OF SERIES B-1	PERCENTAGE OF SERIES B-1
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Vornado Realty Trust	5,789,239	\$297,508,992	100.0000%		
Vornado Realty Trust					
Vornado Finance Corp					
Vornado Investment Corporation					
40 East 14 Realty Associates General Partnership					
825 Seventh Avenue Holding Corporation					
Menands Holdings Corporation					
Two Guys From Harrison, N.Y., Inc.					

Washington Design Center, L.L.C.			200,000	\$10,000,000	22.23%
Merchandise Mart Owners, L.L.C.			699,566	\$34,978,300	77.77%
Merchandise Mart Enterprises, L.L.C.					
World Trade Center Chicago, L.L.C.					

Greene Street 1998 Exchange Fund, L.P.

Commonwealth Atlantic Properties Inc.
Commonwealth Atlantic -- Crystal City
OP Holding Inc.

Jacob H. Froelich, Jr.
S.D. Phillips
George W. Lyles
Canoe House Partners, LLC
Roaring Gap Limited Partnership
Phillips Property Company, LLC

The Mendik Partnership, L.P.
Mendik Realty Company, Inc.
FW / Mendik REIT, L.L.C. (2)
Mendik RELP Corp.
2750 Associates
Abrams, Trust U/W/O Ralph
Adler, Robert
Alpert, Vicki
Ambassador Construction Company, Inc.
Aschendorf-Shasha, Ellen
Ash, Herbert
Aubert, Trust FBO Lysa
UWO Barbara Schwartz
Aubert, Trust FBO Lysa
UWO Ellis Schwartz
Barr, Thomas
Barkin, Leonard
Batkin, Nancy
Batkin, Nancy 1998 Trust u/a/d 5/11/98
Berenson, David
Berenson, Joan
Berenson, Richard
Berenson, Robert
Berger, Alice C.
Bianculli, Louis
Bierman, Jacquin
Blumenthal, Joel Marie
Braverman, Madlyn
Bonk, Chris
Carb, Sally
Carney, Thomas
Chambers, Robert
CHO Enterprises
Dembner, Shirley
Dembner, Shirley UGMA
for Lindsey Dembner
Doner, Max
Downey, Michael
Dryfoos, Jacqueline
Dubrowski, Raymond
Evans, Ben
Field, Walter L.
Jesse Fierstein & Co.
Fischer, Alan A.
Freedman, Robert
Gershon, Estate of Murray
Getz, Howard
Getz, Sandra
Getz, Sandra & Howard

CLASS OF UNITS

SERIES B-2 PREFERRED UNITS	VALUE OF SERIES B-2	PERCENTAGE OF SERIES B-2	SERIES C-1 PREFERRED UNITS	VALUE OF SERIES C-1	PERCENTAGE OF SERIES C-1
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Vornado Realty Trust
Vornado Realty Trust
Vornado Finance Corp
Vornado Investment Corporation
40 East 14 Realty Associates
 General Partnership
825 Seventh Avenue Holding Corporation
Menands Holdings Corporation
Two Guys From Harrison, N.Y., Inc.

Washington Design Center, L.L.C.	100,000	\$5,000,000	22.23%
Merchandise Mart Owners, L.L.C.	349,783	\$17,489,150	77.77%
Merchandise Mart Enterprises, L.L.C.			
World Trade Center Chicago, L.L.C.			

Greene Street 1998 Exchange Fund, L.P.

Commonwealth Atlantic Properties Inc.
Commonwealth Atlantic - Crystal
City OP Holding Inc.

Jacob H. Froelich, Jr.	150,067	\$ 5,352,890	20.0648%
S.D. Phillips	9,976	\$ 355,844	1.3338%
George W. Lyles	70,044	\$ 2,498,469	9.3653%
Canoe House Partners, LLC	200,090	\$ 7,137,210	26.7531%
Roaring Gap Limited Partnership	290,158	\$10,349,936	38.7957%
Phillips Property Company, LLC	27,577	983,672	3.6872%

The Mendik Partnership, L.P.
Mendik Realty Company, Inc.
FW / Mendik REIT, L.L.C. (2)
Mendik RELP Corp.
2750 Associates
Abrams, Trust U/W/O Ralph
Adler, Robert
Alpert, Vicki
Ambassador Construction Company, Inc.
Aschendorf-Shasha, Ellen
Ash, Herbert
Aubert, Trust FBO Lysa
 UWO Barbara Schwartz
Aubert, Trust FBO Lysa
 UWO Ellis Schwartz
Barr, Thomas
Barkin, Leonard
Batkin, Nancy
Batkin, Nancy 1998 Trust u/a/d 5/11/98
Berenson, David
Berenson, Joan
Berenson, Richard
Berenson, Robert
Berger, Alica C.
Bianculli, Louis
Bierman, Jacquin
Blumenthal, Joel Marie
Braverman, Madlyn
Bonk, Chris
Carb, Sally
Carney, Thomas
Chambers, Robert
CHO Enterprises
Dembner, Shirley
Dembner, Shirley UGMA
 for Lindsey Dembner
Doner, Max
Downey, Michael
Dryfoos, Jacqueline
Dubrowski, Raymond
Evans, Ben
Field, Walter L.
Jesse Fierstein & Co.
Fischer, Alan A.
Freedman, Robert
Gershon, Estate of Murray
Getz, Howard
Getz, Sandra
Getz, Sandra & Howard

CLASS OF UNITS

	SERIES D-1 PREFERRED UNITS	VALUE OF SERIES D-1	PERCENTAGE OF SERIES D-1	SERIES E-1 PREFERRED UNITS	VALUE OF SERIES E-1	PERCENTAGE OF SERIES E-1
Vornado Realty Trust Vornado Realty Trust Vornado Finance Corp Vornado Investment Corporation 40 East 14 Realty Associates General Partnership 825 Seventh Avenue Holding Corporation Menands Holdings Corporation Two Guys From Harrison, N.Y., Inc.						
Washington Design Center, L.L.C. Merchandise Mart Owners, L.L.C. Merchandise Mart Enterprises, L.L.C. World Trade Center Chicago, L.L.C.						
Greene Street 1998 Exchange Fund, L.P.	3,500,000	87,500,000	100.00%			
Commonwealth Atlantic Properties Inc.				3,899,333	194,966,650	78.02%
Commonwealth Atlantic-Crystal City OP Holding Inc.				1,098,667	54,933,350	21.98%
Jacob H. Froelich, Jr. S.D. Phillips George W. Lyles Canoe House Partners, LLC Roaring Gap Limited Partnership Phillips Property Company, LLC						
The Mendik Partnership, L.P. Mendik Realty Company, Inc. FW / Mendik REIT, L.L.C. (2) Mendik RELP Corp. 2750 Associates Abrams, Trust U/W/O Ralph Adler, Robert Alpert, Vicki Ambassador Construction Company, Inc. Aschendorf-Shasha, Ellen Ash, Herbert Aubert, Trust FBO Lysa UWO Barbara Schwartz Aubert, Trust FBO Lysa UWO Ellis Schwartz Barr, Thomas Barkin, Leonard Batkin, Nancy Batkin, Nancy 1998 Trust u/a/d 5/11/98 Berenson, David Berenson, Joan Berenson, Richard Berenson, Robert Berger, Alica C. Bianculli, Louis Bierman, Jacquin Blumenthal, Joel Marie Braverman, Madlyn Bonk, Chris Carb, Sally Carney, Thomas Chambers, Robert CHO Enterprises Dembner, Shirley Dembner, Shirley UGMA for Lindsey Dembner Doner, Max Downey, Michael Dryfoos, Jacqueline Dubrowski, Raymond Evans, Ben Field, Walter L. Jesse Fierstein & Co. Fischer, Alan A. Freedman, Robert Gershon, Estate of Murray Getz, Howard Getz, Sandra Getz, Sandra & Howard						

	CLASS OF UNITS						
	COMMON UNITS				TOTAL	VALUE	PERCENTAGE
	A	C	D	E	COMMON UNITS	COMMON UNITS	COMMON UNITS
Vornado Realty Trust							
Vornado Realty Trust	43,527,559				43,527,559	\$1,552,628,030	47.3996%
Vornado Finance Corp	35,282,694				35,282,694	\$1,258,533,695	38.4213%
Vornado Investment Corporation	3,666,666				3,666,666	\$130,789,976	3.9928%
40 East 14 Realty Associates					0	\$0	0.0000%
General Partnership	1,639,278				1,639,278	\$58,473,046	1.7851%
825 Seventh Avenue Holding Corporation	235,516				235,516	\$8,400,856	0.2565%
Menands Holdings Corporation	536,524				536,524	\$19,137,811	0.5843%
Two Guys From Harrison, N.Y., Inc.	180,890				180,890	\$6,452,346	0.1970%
Washington Design Center, L.L.C.	65,807				65,807	\$2,347,336	0.0717%
Merchandise Mart Owners, L.L.C.					0	\$0	0.0000%
Merchandise Mart Enterprises, L.L.C.	395,967				395,967	\$14,124,143	0.4312%
World Trade Center Chicago, L.L.C.	603,948				603,948	\$21,542,825	0.6577%
Greene Street 1998 Exchange Fund, L.P.					0	\$0	0.0000%
Commonwealth Atlantic Properties Inc.							
Commonwealth Atlantic-Crystal City							
OP Holding Inc.							
Jacob H Froelich, Jr.	202,411				202,411	\$7,220,000	0.2204%
S.D. Phillips	0				0	\$0	0.0000%
George W Lyles	0				0	\$0	0.0000%
Canoe House Partners, LLC	0				0	\$0	0.0000%
Roaring Gap Limited Partnership	0				0	\$0	0.0000%
Phillips Property Company, LLC	0				0	\$0	0.0000%
The Mendik Partnership, L.P.		2,512,023			2,512,023	\$89,603,860	2.7355%
Mendik Realty Company, Inc.	161				161	\$5,743	0.0002%
FW / Mendik REIT, L.L.C. (2)		486,540			486,540	\$17,354,882	0.5298%
Mendik RELP Corp.		846			846	\$30,177	0.0009%
2750 Associates			2,704		2,704	\$96,452	0.0029%
Abrams, Trust U/W/O Ralph			7,244		7,244	\$258,393	0.0079%
Adler, Robert			2,496		2,496	\$89,032	0.0027%
Alpert, Vicki			5,228		5,228	\$186,483	0.0057%
Ambassador Construction Company, Inc.			37,178		37,178	\$1,326,139	0.0405%
Aschendorf-Shasha, Ellen			1,710		1,710	\$60,996	0.0019%
Ash, Herbert			154		154	\$5,493	0.0002%
Aubert, Trust FBO Lysa					0	\$0	0.0000%
UWO Barbara Schwartz			4,278		4,278	\$152,596	0.0047%
Aubert, Trust FBO Lysa					0	\$0	0.0000%
UWO Ellis Schwartz			256		256	\$9,132	0.0003%
Barr, Thomas			1,844		1,844	\$65,775	0.0020%
Barkin, Leonard			962		962	\$34,315	0.0010%
Batkin, Nancy			0		0	\$0	0.0000%
Batkin, Nancy 1998 Trust u/a/d 5/11/98	108		6,338		6,446	\$229,929	0.0070%
Berenson, David			1,034		1,034	\$36,883	0.0011%
Berenson, Joan			1,382		1,382	\$49,296	0.0015%
Berenson, Richard			842		842	\$30,034	0.0009%
Berenson, Robert			1,762		1,762	\$62,851	0.0019%
Berger, Alica C.			374		374	\$13,341	0.0004%
Bianculli, Louis			5,604		5,604	\$199,895	0.0061%
Bierman, Jacquin			5,376		5,376	\$191,762	0.0059%
Blumenthal, Joel Marie			154		154	\$5,493	0.0002%
Braverman, Madlyn			35,032		35,032	\$1,249,591	0.0381%
Bonk, Chris		75,344			75,344	\$2,687,520	0.0820%
Carb, Sally			1,793		1,793	\$63,956	0.0020%
Carney, Thomas			1,419		1,419	\$50,616	0.0015%
Chambers, Robert	145		7,961		8,106	\$289,141	0.0088%
CHO Enterprises			5,364		5,364	\$191,334	0.0058%
Dembner, Shirley	145		78		223	\$7,954	0.0002%
Dembner, Shirley UGMA					0	\$0	0.0000%
for Lindsey Dembner			3,462		3,462	\$123,490	0.0038%
Doner, Max			3,364		3,364	\$119,994	0.0037%
Downey, Michael		83,226			83,226	\$2,968,671	0.0906%
Dryfoos, Jacqueline			962		962	\$34,315	0.0010%
Dubrowski, Raymond			2,304		2,304	\$82,184	0.0025%
Evans, Ben			104		104	\$3,710	0.0001%
Field, Walter L.			1,680		1,680	\$59,926	0.0018%
Jesse Fierstein & Co.			4,045		4,045	\$144,285	0.0044%
Fischer, Alan A.			3,364		3,364	\$119,994	0.0037%
Freedman, Robert			5,770		5,770	\$205,816	0.0063%
Gershon, Estate of Murray			10,494		10,494	\$374,321	0.0114%
Getz, Howard			333		333	\$11,878	0.0004%
Getz, Sandra			7,328		7,328	\$261,390	0.0080%
Getz, Sandra & Howard			748		748	\$26,681	0.0008%

	TOTAL UNITS	TOTAL VALUE	PERCENTAGE INTEREST
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Vornado Realty Trust	90,858,366 (1)	\$3,331,924,752	83.2010%
Vornado Realty Trust			
Vornado Finance Corp			
Vornado Investment Corporation			
40 East 14 Realty Associates General Partnership			
825 Seventh Avenue Holding Corporation			
Menands Holdings Corporation			
Two Guys From Harrison, N.Y., Inc.			
Washington Design Center, L.L.C.	365,807	\$17,347,336	0.4332%
Merchandise Mart Owners, L.L.C.	1,049,349	\$52,467,450	1.3102%
Merchandise Mart Enterprises, L.L.C.	395,967	\$14,124,143	0.3527%
World Trade Center Chicago, L.L.C.	603,948	\$21,542,825	0.5379%
Greene Street 1998 Exchange Fund, L.P.	3,500,000	\$87,500,000	2.1850%
Commonwealth Atlantic Properties, Inc.	3,899,333	\$194,966,650	4.8685%
Commonwealth Atlantic - Crystal City OP Holding Inc.	1,098,667	\$54,933,350	1.3717%
Jacob H. Froelich, Jr.	352,478	\$12,572,890	0.3140%
S.D. Phillips	9,976	\$355,844	0.0089%
George W. Lyles	70,044	\$2,498,469	0.0624%
Canoe House Partners, LLC	200,090	\$7,137,210	0.1782%
Roaring Gap Limited Partnership	290,158	\$10,349,936	0.2584%
Phillips Property Company, LLC	27,577	\$983,672	0.0246%
The Mendik Partnership, L.P.	2,512,023	\$89,603,860	2.2375%
Mendik Realty Company, Inc.	161	\$5,743	0.0001%
FW / Mendik REIT, L.L.C. (2)	486,540	\$17,354,882	0.4334%
Mendik RELP Corp.	846	\$30,177	0.0008%
2750 Associates	2,704	\$96,452	0.0024%
Abrams, Trust U/W/O Ralph	7,244	\$258,393	0.0065%
Adler, Robert	2,496	\$89,032	0.0022%
Alpert, Vicki	5,228	\$186,483	0.0047%
Ambassador Construction Company, Inc.	37,178	\$1,326,139	0.0331%
Aschendorf-Shasha, Ellen	1,710	\$60,996	0.0015%
Ash, Herbert	154	\$5,493	0.0001%
Aubert, Trust FBO Lysa	0	\$0	0.0000%
UWO Barbara Schwartz	4,278	\$152,596	0.0038%
Aubert, Trust FBO Lysa	0	\$0	0.0000%
UWO Ellis Schwartz	256	\$9,132	0.0002%
Barr, Thomas	1,844	\$65,775	0.0016%
Barkin, Leonard	962	\$34,315	0.0009%
Batkin, Nancy	0	\$0	0.0000%
Batkin, Nancy 1998 Trust u/a/d 5/11/98	6,446	\$229,929	0.0057%
Berenson, David	1,034	\$36,883	0.0009%
Berenson, Joan	1,382	\$49,296	0.0012%
Berenson, Richard	842	\$30,034	0.0007%
Berenson, Robert	1,762	\$62,851	0.0016%
Berger, Alice C.	374	\$13,341	0.0003%
Bianculli, Louis	5,604	\$199,895	0.0050%
Bierman, Jacquin	5,376	\$191,762	0.0048%
Blumenthal, Joel Marie	154	\$5,493	0.0001%
Braverman, Madlyn	35,032	\$1,249,591	0.0312%
Bonk, Chris	75,344	\$2,687,520	0.0671%
Carb, Sally	1,793	\$63,956	0.0016%
Carney, Thomas	1,419	\$50,616	0.0013%
Chambers, Robert	8,106	\$289,141	0.0072%
CHO Enterprises	5,364	\$191,334	0.0048%
Dembner, Shirley	223	\$7,954	0.0002%
Dembner, Shirley UGMA for Lindsey Dembner	0	\$0	0.0000%
Doner, Max	3,462	\$123,490	0.0031%
Downey, Michael	3,364	\$119,994	0.0030%
Downey, Michael	83,226	\$2,968,671	0.0741%
Dryfoos, Jacqueline	962	\$34,315	0.0009%
Dubrowski, Raymond	2,304	\$82,184	0.0021%
Evans, Ben	104	\$3,710	0.0001%
Field, Walter L.	1,680	\$59,926	0.0015%
Jesse Fierstein & Co.	4,045	\$144,285	0.0036%
Fischer, Alan A.	3,364	\$119,994	0.0030%
Freedman, Robert	5,770	\$205,816	0.0051%
Gershon, Estate of Murray	10,494	\$374,321	0.0093%
Getz, Howard	333	\$11,878	0.0003%
Getz, Sandra	7,328	\$261,390	0.0065%
Getz, Sandra & Howard	748	\$26,681	0.0007%

Common Units										
A	C	D	E	Total Common Units	Value Common Units	Percentage Common Units	Total Units	Total Value	Percentage Interest	
Gold, Frederica			414	414	\$14,767	0.0005%	414	\$14,767	0.0004%	
Ginsberg, Benedict			932	932	\$33,244	0.0010%	932	\$33,244	0.0008%	
Goldberg, Clarence			916	916	\$32,674	0.0010%	916	\$32,674	0.0008%	
Goldring, Stanley			10,833	10,833	\$386,413	0.0118%	10,833	\$386,413	0.0096%	
Goldschmidt, Beatrice			22,045	22,045	\$786,345	0.0240%	22,045	\$786,345	0.0196%	
Goldschmidt, Charles			10,752	10,752	\$383,524	0.0117%	10,752	\$383,524	0.0096%	
Goldschmidt, Edward			12,842	12,842	\$458,074	0.0140%	12,842	\$458,074	0.0114%	
Goldschmidt, C. Trust U/A/D 7/11/90			8,389	8,389	\$299,236	0.0091%	8,389	\$299,236	0.0075%	
Goldschmidt, Lawrence			92,454	92,454	\$3,297,834	0.1007%	92,454	\$3,297,834	0.0823%	
Gorfinkle, Alaine			664	664	\$23,685	0.0007%	664	\$23,685	0.0006%	
Gorfinkle, Lawrence			3,830	3,830	\$136,616	0.0042%	3,830	\$136,616	0.0034%	
Gould Investors, L.P.	458,964			458,964	\$16,371,246	0.4998%	458,964	\$16,371,246	0.4088%	
Green, Bernard			14,152	14,152	\$504,802	0.0154%	14,152	\$504,802	0.0126%	
Green, Barbara			8,546	8,546	\$304,836	0.0093%	8,546	\$304,836	0.0076%	
Greenbaum, David R.	701			701	\$25,005	0.0008%	701	\$25,005	0.0006%	
Greif, Goldie			6,724	6,724	\$239,845	0.0073%	6,724	\$239,845	0.0060%	
Gutenberg, Bernice			688	688	\$24,541	0.0007%	688	\$24,541	0.0006%	
H L Silbert trustee U/W of H A Goldman			19,976	19,976	\$712,544	0.0218%	19,976	\$712,544	0.0178%	
Hagler, Philip			14,631	14,631	\$521,888	0.0159%	14,631	\$521,888	0.0130%	
Harteveldt, Robert L.			5,128	5,128	\$182,916	0.0056%	5,128	\$182,916	0.0046%	
Hirsch, Phillip J.			338	338	\$12,056	0.0004%	338	\$12,056	0.0003%	
Hirsch, Judith			338	338	\$12,056	0.0004%	338	\$12,056	0.0003%	
Hrusha, Alan			1,844	1,844	\$65,775	0.0020%	1,844	\$65,775	0.0016%	
Hutner, Anne Trust F/B/O			4,610	4,610	\$164,439	0.0050%	4,610	\$164,439	0.0041%	
Hutner, Estate of Irwin			11,334	11,334	\$404,284	0.0123%	11,334	\$404,284	0.0101%	
INS Realty Associates			269,516	269,516	\$9,613,636	0.2935%	269,516	\$9,613,636	0.2401%	
Fierstein Co.			28,415	28,415	\$1,013,563	0.0309%	28,415	\$1,013,563	0.0253%	
Jaffe, Elizabeth			76	76	\$2,711	0.0001%	76	\$2,711	0.0001%	
Jones, Hazel			2,496	2,496	\$89,032	0.0027%	2,496	\$89,032	0.0022%	
Kaufman, Robert M.			338	338	\$12,056	0.0004%	338	\$12,056	0.0003%	
Klein, Robin			3,364	3,364	\$119,994	0.0037%	3,364	\$119,994	0.0030%	
Knatten Inc.			141,998	141,998	\$5,065,069	0.1546%	141,998	\$5,065,069	0.1265%	
Knight, Laureine		10,242		10,242	\$365,332	0.0112%	10,242	\$365,332	0.0091%	
Komaroff, Stanley			576	576	\$20,546	0.0006%	576	\$20,546	0.0005%	
Kosloff, Andrea			78	78	\$2,782	0.0001%	78	\$2,782	0.0001%	
Kosloff, Andrea UGMA for Adam Kosloff				0	\$0	0.0000%	0	\$0	0.0000%	
Kosloff, Andrea UGMA for Justin Kosloff			2,116	2,116	\$75,478	0.0023%	2,116	\$75,478	0.0019%	
Koven, Irving			0	0	\$0	0.0000%	0	\$0	0.0000%	
Koven, Esther			11,208	11,208	\$399,789	0.0122%	11,208	\$399,789	0.0100%	
Kowal, Myron as Custodian for Andrew Kowal				0	\$0	0.0000%	0	\$0	0.0000%	
Kramer, Saul			748	748	\$26,681	0.0008%	748	\$26,681	0.0007%	
Kuhn, James D.	1,606	151,046	652	652	\$23,257	0.0007%	652	\$23,257	0.0006%	
Kuhn, Leo			902	902	\$32,174	0.0010%	902	\$32,174	0.0008%	
Kurshan, Herbert			2,496	2,496	\$89,032	0.0027%	2,496	\$89,032	0.0022%	
Lauder, Leonard			4,660	4,660	\$166,222	0.0051%	4,660	\$166,222	0.0042%	
Lauder, Ronald			4,660	4,660	\$166,222	0.0051%	4,660	\$166,222	0.0042%	
Leff, Joseph			3,364	3,364	\$119,994	0.0037%	3,364	\$119,994	0.0030%	
Leff, Valerie			3,364	3,364	\$119,994	0.0037%	3,364	\$119,994	0.0030%	
Lefkowitz, Howard			414	414	\$14,767	0.0005%	414	\$14,767	0.0004%	
LeRoy Partners			0	0	\$0	0.0000%	0	\$0	0.0000%	
Liroff, Harriett			12,166	12,166	\$433,961	0.0132%	12,166	\$433,961	0.0108%	
Liroff, Richard			1,532	1,532	\$54,646	0.0017%	1,532	\$54,646	0.0014%	
Loewengart, Irene			1,664	1,664	\$59,355	0.0018%	1,664	\$59,355	0.0015%	
Lovitz, David			2,244	2,244	\$80,043	0.0024%	2,244	\$80,043	0.0020%	
M. Westport Associates		3,412		3,412	\$121,706	0.0037%	3,412	\$121,706	0.0030%	
Maayan Partners			9,616	9,616	\$343,003	0.0105%	9,616	\$343,003	0.0086%	
Marvin, Morton			914	914	\$32,602	0.0010%	914	\$32,602	0.0008%	
Marvin, Suzanne			76	76	\$2,711	0.0001%	76	\$2,711	0.0001%	
Maynard, Jean			2,304	2,304	\$82,184	0.0025%	2,304	\$82,184	0.0021%	
Mazer, David			6,724	6,724	\$239,845	0.0073%	6,724	\$239,845	0.0060%	
Mazer, Richard			6,724	6,724	\$239,845	0.0073%	6,724	\$239,845	0.0060%	
Mendik, Bernard	13,162			13,162	\$469,489	0.0143%	13,162	\$469,489	0.0117%	
Mendik, Susan		976	930	1,906	\$67,987	0.0021%	1,906	\$67,987	0.0017%	
Mendik, Susan Trust u/w/o Jean A. Batkin	36		4,474	4,510	\$160,872	0.0049%	4,510	\$160,872	0.0040%	
L.C. Migdal & Ellin Kalmus, Trustees of Trust "B" u/w/o of Murray Silberstein				0	\$0	0.0000%	0	\$0	0.0000%	
Mil Equities			10,256	10,256	\$365,832	0.0112%	10,256	\$365,832	0.0091%	
Myers Group III, Inc.	17,641		13,334	13,334	\$475,624	0.0145%	13,334	\$475,624	0.0119%	
Myers Group IV, Inc.	126,979		17,641	17,641	\$629,254	0.0192%	17,641	\$629,254	0.0157%	
Nevas, Alan		1,636		1,636	\$58,356	0.0018%	1,636	\$58,356	0.0015%	
Nevas, Leo		3,271		3,271	\$116,677	0.0036%	3,271	\$116,677	0.0029%	
Nicardo Corporation			0	0	\$0	0.0000%	0	\$0	0.0000%	
Novick, Lawrence			154	154	\$5,493	0.0002%	154	\$5,493	0.0001%	
Oestreich, David A.			38,808	38,808	\$1,384,281	0.0423%	38,808	\$1,384,281	0.0346%	
Oestreich, Joan E.			38,802	38,802	\$1,384,067	0.0423%	38,802	\$1,384,067	0.0346%	

	Series A Preferred Units	Value of Series A	Percentage of Series A	Series B-1 Preferred Units	Value of Series B-1	Percentage of Series B-1	Series B-2 Preferred Units	Value of Series B-2	Percentage of Series B-2
Oestreich, Sophy									
Oppenheimer, Martin J.									
Oppenheimer, Suzanne									
Oshatz, Michael P.									
Phillips, Family Trust UWO Edith									
Phillips, Jonathan									
Phillips, Lynn									
Phillips, Estate of John D.									
Plum Partners L.P.									
Prentice Revocable Trust, 12/12/75									
RCAY S.A.									
Reichler, Richard									
Reingold, Suzy									
Roberts, H. Richard									
Roche, Sara									
Rolfe, Ronald									
Rosenberg, Ilse									
Rosenheim, Revocable Living Trust of Edna									
Rosenzweig, Abraham									
Rubashkin, Martin									
Rubin, Murray M.									
Sahid, Joseph									
Saunders, Paul									
Saul, Andrew									
Schacht, Ronald									
Schwartz, Trust FBO Samuel UWO Barbara Schwartz									
Schwartz, Trust FBO Samuel UWO Ellis Schwartz									
Schwartz, Trust FBO Carolynn UWO Barbara Schwartz									
Schwartz, Trust FBO Carolynn UWO Ellis Schwartz									
Shapiro, Howard									
Shapiro, Howard A.									
Shapiro, Robert I.									
Shasha, Alfred									
Shasha, Alfred A. & Hanina									
Shasha, Alfred & Hanina Trustees UTA 6/8/94									
Shasha, Robert Y.									
Shasha-Kupchick, Leslie									
Sheridan Family Partners, L.P.									
Shine, William									
Silberstein, John J.									
Silbert, Harvey I.									
Simons, Robert									
Sims, David									
Slaner, Estate of Alfred P.									
Steiner, Phillip Harry									
Steiner, Richard Harris									
Tannenbaum, Bernard									
Tannenbaum, Bernice									
Tartikoff Living Trust									
Winik, Trust U/W/O Carolyn									
Watt, Emily									
Wang, Kevin									
Weissman, Sheila									
Williams, John									
TOTAL	5,789,239	\$297,508,992	100.0000%	899,566	\$44,978,300	100.00%	449,783	\$22,489,150	100.00%

Class of Units

	Series C-1 Preferred Units	Value of Series C-1	Percentage of Series C-1	Series D-1 Preferred Units	Value of Series D-1	Percentage of Series D-1
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Oestreich, Sophy
Oppenheimer, Martin J.
Oppenheimer, Suzanne
Oshatz, Michael P.
Phillips, Family Trust

UWO Edith
 Phillips, Jonathan
 Phillips, Lynn
 Phillips, Estate of John D.
 Plum Partners L.P.
 Prentice Revocable Trust,
 12/12/75
 RCAY S.A.
 Reichler, Richard
 Reingold, Suzy
 Roberts, H. Richard
 Roche, Sara
 Rolfe, Ronald
 Rosenberg, Ilse
 Rosenheim, Revocable
 Living Trust of Edna
 Rosenzweig, Abraham
 Rubashkin, Martin
 Rubin, Murray M.
 Sahid, Joseph
 Saunders, Paul
 Saul, Andrew
 Schacht, Ronald
 Schwartz, Trust FBO Samuel
 UWO Barbara Schwartz
 Schwartz, Trust FBO Samuel
 UWO Ellis Schwartz
 Schwartz, Trust FBO
 Carolynn UWO Barbara
 Schwartz
 Schwartz, Trust FBO
 Carolynn UWO
 Ellis Schwartz
 Shapiro, Howard
 Shapiro, Howard A.
 Shapiro, Robert I.
 Shasha, Alfred
 Shasha, Alfred A. & Hanina
 Shasha, Alfred & Hanina
 Trustees UTA 6/8/94
 Shasha, Robert Y.
 Shasha-Kupchick, Leslie
 Sheridan Family
 Partners, L.P.
 Shine, William
 Silberstein, John J.
 Silbert, Harvey I.
 Simons, Robert
 Sims, David
 Slaner, Estate of Alfred P.
 Steiner, Phillip Harry
 Steiner, Richard Harris
 Tannenbaum, Bernard
 Tannenbaum, Bernice
 Tartikoff Living Trust
 Winik, Trust U/W/O Carolyn
 Watt, Emily
 Wang, Kevin
 Weissman, Sheila
 Williams, John

TOTAL	747,912	\$26,678,021	100.00%	3,500,000	\$87,500,000	100.00%
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Class of Units

Common Units

A C D

Oestreich, Sophy	4,610
Oppenheimer, Martin J.	338
Oppenheimer, Suzanne	338
Oshatz, Michael P.	30,180
Phillips, Family Trust UWO Edith	0
Phillips, Jonathan	3,364
Phillips, Lynn	3,364
Phillips, Estate of John D.	0
Plum Partners L.P.	0
Prentice Revocable Trust, 12/12/75	2,601
RCAY S.A.	
Reichler, Richard	5,400
Reingold, Suzy	4,888
Roberts, H. Richard	39,426

Roche, Sara			3,364
Rolfe, Ronald			1,844
Rosenberg, Ilse			576
Rosenheim, Revocable Living Trust of Edna			1,124
Rosenzweig, Abraham			3,744
Rubashkin, Martin			460
Rubin, Murray M.			3,364
Sahid, Joseph			1,844
Saunders, Paul			1,844
Saul, Andrew			20,196
Schacht, Ronald			988
Schwartz, Trust FBO Samuel UWO Barbara Schwartz			4,278
Schwartz, Trust FBO Samuel UWO Ellis Schwartz			256
Schwartz, Trust FBO Carolyn UWO Barbara Schwartz			4,278
Schwartz, Trust FBO Carolyn UWO Ellis Schwartz			256
Shapiro, Howard			932
Shapiro, Howard A.			336
Shapiro, Robert I.			3,364
Shasha, Alfred			5,770
Shasha, Alfred A. & Hanina			7,484
Shasha, Alfred & Hanina Trustees UTA 6/8/94			13,676
Shasha, Robert Y.			1,710
Shasha-Kupchick, Leslie			3,418
Sheridan Family Partners, L.P.			15,944
Shine, William			2,766
Silberstein, John J.	75,140		
Silbert, Harvey I.			19,976
Simons, Robert			3,364
Sims, David	52,938		
Slaner, Estate of Alfred P.			34,958
Steiner, Phillip Harry			1,124
Steiner, Richard Harris			1,124
Tannenbaum, Bernard			912
Tannenbaum, Bernice			76
Tartikoff Living Trust			3,364
Winik, Trust U/W/O Carolyn			3,364
Watt, Emily			1,332
Wang, Kevin	77,458		
Weissman, Sheila			664
Williams, John			2,244
TOTAL	86,956,908	3,534,098	1,340,011

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	Total Common Units	Value Common Units	Percentage Common Units	Total Units	Total Value	Percentage Interest
Oestreich, Sophy	4,610	\$164,439	0.0050%	4,610	\$164,439	0.0041%
Oppenheimer, Martin J.	338	\$12,056	0.0004%	338	\$12,056	0.0003%
Oppenheimer, Suzanne	338	\$12,056	0.0004%	338	\$12,056	0.0003%
Oshatz, Michael P.	30,180	\$1,076,521	0.0329%	30,180	\$1,076,521	0.0269%
Phillips, Family Trust UWO Edith	0	\$0	0.0000%	0	\$0	0.0000%
Phillips, Jonathan	3,364	\$119,994	0.0037%	3,364	\$119,994	0.0030%
Phillips, Lynn	3,364	\$119,994	0.0037%	3,364	\$119,994	0.0030%
Phillips, Estate of John D.	0	\$0	0.0000%	0	\$0	0.0000%
Plum Partners L.P.	0	\$0	0.0000%	0	\$0	0.0000%
Prentice Revocable Trust, 12/12/75	2,601	\$92,778	0.0028%	2,601	\$92,778	0.0023%
RCAY S.A.	0	\$0	0.0000%	0	\$0	0.0000%
Reichler, Richard	5,400	\$192,618	0.0059%	5,400	\$192,618	0.0048%
Reingold, Suzy	4,888	\$174,355	0.0053%	4,888	\$174,355	0.0044%
Roberts, H. Richard	39,426	\$1,406,325	0.0429%	39,426	\$1,406,325	0.0351%
Roche, Sara	3,364	\$119,994	0.0037%	3,364	\$119,994	0.0030%
Rolfe, Ronald	1,844	\$65,775	0.0020%	1,844	\$65,775	0.0016%
Rosenberg, Ilse	576	\$20,546	0.0006%	576	\$20,546	0.0005%
Rosenheim, Revocable Living Trust of Edna	0	\$0	0.0000%	0	\$0	0.0000%
Rosenzweig, Abraham	1,124	\$40,093	0.0012%	1,124	\$40,093	0.0010%
Rubashkin, Martin	3,744	\$133,548	0.0041%	3,744	\$133,548	0.0033%
Rubin, Murray M.	460	\$16,408	0.0005%	460	\$16,408	0.0004%
Rubin, Murray M.	3,364	\$119,994	0.0037%	3,364	\$119,994	0.0030%
Sahid, Joseph	1,844	\$65,775	0.0020%	1,844	\$65,775	0.0016%
Saunders, Paul	1,844	\$65,775	0.0020%	1,844	\$65,775	0.0016%
Saul, Andrew	20,196	\$720,391	0.0220%	20,196	\$720,391	0.0180%
Schacht, Ronald	988	\$35,242	0.0011%	988	\$35,242	0.0009%
Schwartz, Trust FBO Samuel UWO Barbara Schwartz	0	\$0	0.0000%	0	\$0	0.0000%
Schwartz, Trust FBO Samuel UWO Ellis Schwartz	4,278	\$152,596	0.0047%	4,278	\$152,596	0.0038%
Schwartz, Trust FBO Samuel UWO Ellis Schwartz	0	\$0	0.0000%	0	\$0	0.0000%
Schwartz, Trust FBO Samuel UWO Ellis Schwartz	256	\$9,132	0.0003%	256	\$9,132	0.0002%

Schwartz, Trust FBOCarolynn	0	\$0	0.0000%	0	\$0	0.0000%	
UWO Barbara Schwartz	4,278	\$152,596	0.0047%	4,278	\$152,596	0.0038%	
Schwartz, Trust FBOCarolynn	0	\$0	0.0000%	0	\$0	0.0000%	
UWO Ellis Schwartz	256	\$9,132	0.0003%	256	\$9,132	0.0002%	
Shapiro, Howard	932	\$33,244	0.0010%	932	\$33,244	0.0008%	
Shapiro, Howard A.	336	\$11,985	0.0004%	336	\$11,985	0.0003%	
Shapiro, Robert I.	3,364	\$119,994	0.0037%	3,364	\$119,994	0.0030%	
Shasha, Alfred	5,770	\$205,816	0.0063%	5,770	\$205,816	0.0051%	
Shasha, Alfred A. & Hanina	7,484	\$266,954	0.0081%	7,484	\$266,954	0.0067%	
Shasha, Alfred & Hanina	0	\$0	0.0000%	0	\$0	0.0000%	
Trustees UTA 6/8/94	13,676	\$487,823	0.0149%	13,676	\$487,823	0.0122%	
Shasha, Robert Y.	1,710	\$60,996	0.0019%	1,710	\$60,996	0.0015%	
Shasha-Kupchick, Leslie	3,418	\$121,920	0.0037%	3,418	\$121,920	0.0030%	
Sheridan Family Partners, L.P.	15,944	\$568,722	0.0174%	15,944	\$568,722	0.0142%	
Shine, William	2,766	\$98,663	0.0030%	2,766	\$98,663	0.0025%	
Silberstein, John J.	75,140	\$2,680,244	0.0818%	75,140	\$2,680,244	0.0669%	
Silbert, Harvey I.	19,976	\$712,544	0.0218%	19,976	\$712,544	0.0178%	
Simons, Robert	3,364	\$119,994	0.0037%	3,364	\$119,994	0.0030%	
Sims, David	52,938	\$1,888,298	0.0576%	52,938	\$1,888,298	0.0472%	
Slaner, Estate of Alfred P.	34,958	\$1,246,952	0.0381%	34,958	\$1,246,952	0.0311%	
Steiner, Phillip Harry	1,124	\$40,093	0.0012%	1,124	\$40,093	0.0010%	
Steiner, Richard Harris	1,124	\$40,093	0.0012%	1,124	\$40,093	0.0010%	
Tannenbaum, Bernard	912	\$32,531	0.0010%	912	\$32,531	0.0008%	
Tannenbaum, Bernice	76	\$2,711	0.0001%	76	\$2,711	0.0001%	
Tartikoff Living Trust	3,364	\$119,994	0.0037%	3,364	\$119,994	0.0030%	
Winik, Trust U/W/O Carolyn	3,364	\$119,994	0.0037%	3,364	\$119,994	0.0030%	
Watt, Emily	1,332	\$47,512	0.0015%	1,332	\$47,512	0.0012%	
Wang, Kevin	77,458	\$2,762,927	0.0843%	77,458	\$2,762,927	0.0690%	
Weissman, Sheila	664	\$23,685	0.0007%	664	\$23,685	0.0006%	
Williams, John	2,244	\$80,043	0.0024%	2,244	\$80,043	0.0020%	
TOTAL	0	91,831,017	3,275,612,376	100.0000%	108,215,517	\$4,004,666,840	100.0000%

(1) Directly and through the following subsidiaries: Vornado Finance Corp., Vornado Investments Corporation, 40 East 14 Realty Associates General Partnership, 825 Seventh Avenue Holding Corporation, Menands Holding Corporation, and Two Guys From Harrison, N.Y., Inc.

(2) Pledged. (See Section 11.3.F of the Operating Partnership Agreement.)

Common Units

Vornado	85,069,127
Original Mendik Partners	4,865,790
Kennedy Partners	1,065,722
Freezer Services Partners	144,620
Westport Partners	8,319
770 Broadway Partner	458,964
20 Broad Partners	16,064
High Point Partners	202,411

	91,831,017
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Section 4: EX-3.2 (EXHIBIT A TO SECOND AMENDED & RESTATED AGREEMENT)

CLASS OF UNITS

SERIES A PREFERRED UNITS	VALUE OF SERIES A	PERCENTAGE OF SERIES A	SERIES B-1 PREFERRED UNITS	VALUE OF SERIES B-1	PERCENTAGE OF SERIES B-1
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Vornado Realty Trust 5,789,239 \$297,508,992 100.0000%
 Vornado Realty Trust
 Vornado Finance Corp
 Vornado Investment Corporation
 40 East 14 Realty Associates
 General Partnership
 825 Seventh Avenue Holding Corporation
 Menands Holdings Corporation
 Two Guys From Harrison, N.Y., Inc.

Washington Design Center, L.L.C. 200,000 \$10,000,000 22.23%
 Merchandise Mart Owners, L.L.C. 699,566 \$34,978,300 77.77%
 Merchandise Mart Enterprises, L.L.C.
 World Trade Center Chicago, L.L.C.

Greene Street 1998 Exchange Fund, L.P.

Commonwealth Atlantic Properties Inc.
 Commonwealth Atlantic -- Crystal City
 OP Holding Inc.

Jacob H. Froelich, Jr.
 S.D. Phillips
 George W. Lyles
 Canoe House Partners, LLC
 Roaring Gap Limited Partnership
 Phillips Property Company, LLC

The Mendik Partnership, L.P.
 Mendik Realty Company, Inc.
 FW / Mendik REIT, L.L.C. (2)
 Mendik RELP Corp.
 2750 Associates
 Abrams, Trust U/W/O Ralph
 Adler, Robert
 Alpert, Vicki
 Ambassador Construction Company, Inc.
 Aschendorf-Shasha, Ellen
 Ash, Herbert
 Aubert, Trust FBO Lysa
 UWO Barbara Schwartz
 Aubert, Trust FBO Lysa
 UWO Ellis Schwartz
 Barr, Thomas
 Barkin, Leonard
 Batkin, Nancy
 Batkin, Nancy 1998 Trust u/a/d 5/11/98
 Berenson, David
 Berenson, Joan
 Berenson, Richard
 Berenson, Robert
 Berger, Alice C.
 Bianculli, Louis
 Bierman, Jacquin
 Blumenthal, Joel Marie
 Braverman, Madlyn
 Bonk, Chris
 Carb, Sally
 Carney, Thomas
 Chambers, Robert
 CHO Enterprises
 Dembner, Shirley
 Dembner, Shirley UGMA
 for Lindsey Dembner
 Doner, Max
 Downey, Michael
 Dryfoos, Jacqueline
 Dubrowski, Raymond
 Evans, Ben
 Field, Walter L.
 Jesse Fierstein & Co.
 Fischer, Alan A.
 Freedman, Robert
 Gershon, Estate of Murray
 Getz, Howard
 Getz, Sandra
 Getz, Sandra & Howard

CLASS OF UNITS

SERIES B-2 PREFERRED UNITS	VALUE OF SERIES B-2	PERCENTAGE OF SERIES B-2	SERIES C-1 PREFERRED UNITS	VALUE OF SERIES C-1	PERCENTAGE OF SERIES C-1
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Vornado Realty Trust
Vornado Realty Trust
Vornado Finance Corp
Vornado Investment Corporation
40 East 14 Realty Associates
General Partnership
825 Seventh Avenue Holding Corporation
Menands Holdings Corporation
Two Guys From Harrison, N.Y., Inc.

Washington Design Center, L.L.C.	100,000	\$5,000,000	22.23%
Merchandise Mart Owners, L.L.C.	349,783	\$17,489,150	77.77%
Merchandise Mart Enterprises, L.L.C.			
World Trade Center Chicago, L.L.C.			

Greene Street 1998 Exchange Fund, L.P.

Commonwealth Atlantic Properties Inc.
Commonwealth Atlantic - Crystal
City OP Holding Inc.

Jacob H. Froelich, Jr.	150,067	\$ 5,352,890	20.0648%
S.D. Phillips	9,976	\$ 355,844	1.3338%
George W. Lyles	70,044	\$ 2,498,469	9.3653%
Canoe House Partners, LLC	200,090	\$ 7,137,210	26.7531%
Roaring Gap Limited Partnership	290,158	\$10,349,936	38.7957%
Phillips Property Company, LLC	27,577	983,672	3.6872%

The Mendik Partnership, L.P.
Mendik Realty Company, Inc.
FW / Mendik REIT, L.L.C. (2)
Mendik RELP Corp.
2750 Associates
Abrams, Trust U/W/O Ralph
Adler, Robert
Alpert, Vicki
Ambassador Construction Company, Inc.
Aschendorf-Shasha, Ellen
Ash, Herbert
Aubert, Trust FBO Lysa
UWO Barbara Schwartz
Aubert, Trust FBO Lysa
UWO Ellis Schwartz
Barr, Thomas
Barkin, Leonard
Batkin, Nancy
Batkin, Nancy 1998 Trust u/a/d 5/11/98
Berenson, David
Berenson, Joan
Berenson, Richard
Berenson, Robert
Berger, Alica C.
Bianculli, Louis
Bierman, Jacquin
Blumenthal, Joel Marie
Braverman, Madlyn
Bonk, Chris
Carb, Sally
Carney, Thomas
Chambers, Robert
CHO Enterprises
Dembner, Shirley
Dembner, Shirley UGMA
for Lindsey Dembner
Doner, Max
Downey, Michael
Dryfoos, Jacqueline
Dubrowski, Raymond
Evans, Ben
Field, Walter L.
Jesse Fierstein & Co.
Fischer, Alan A.
Freedman, Robert
Gershon, Estate of Murray
Getz, Howard
Getz, Sandra
Getz, Sandra & Howard

CLASS OF UNITS

	SERIES D-1 PREFERRED UNITS	VALUE OF SERIES D-1	PERCENTAGE OF SERIES D-1	SERIES E-1 PREFERRED UNITS	VALUE OF SERIES E-1	PERCENTAGE OF SERIES E-1
Vornado Realty Trust						
Vornado Realty Trust						
Vornado Finance Corp						
Vornado Investment Corporation						
40 East 14 Realty Associates General Partnership						
825 Seventh Avenue Holding Corporation						
Menands Holdings Corporation						
Two Guys From Harrison, N.Y., Inc.						
Washington Design Center, L.L.C.						
Merchandise Mart Owners, L.L.C.						
Merchandise Mart Enterprises, L.L.C.						
World Trade Center Chicago, L.L.C.						
Greene Street 1998 Exchange Fund, L.P.	3,500,000	87,500,000	100.00%			
Commonwealth Atlantic Properties Inc.				3,899,333	194,966,650	78.02%
Commonwealth Atlantic-Crystal City OP Holding Inc.				1,098,667	54,933,350	21.98%
Jacob H. Froelich, Jr.						
S.D. Phillips						
George W. Lyles						
Canoe House Partners, LLC						
Roaring Gap Limited Partnership						
Phillips Property Company, LLC						
The Mendik Partnership, L.P.						
Mendik Realty Company, Inc.						
FW / Mendik REIT, L.L.C. (2)						
Mendik RELP Corp.						
2750 Associates						
Abrams, Trust U/W/O Ralph						
Adler, Robert						
Alpert, Vicki						
Ambassador Construction Company, Inc.						
Aschendorf-Shasha, Ellen						
Ash, Herbert						
Aubert, Trust FBO Lysa						
UWO Barbara Schwartz						
Aubert, Trust FBO Lysa						
UWO Ellis Schwartz						
Barr, Thomas						
Barkin, Leonard						
Batkin, Nancy						
Batkin, Nancy 1998 Trust u/a/d 5/11/98						
Berenson, David						
Berenson, Joan						
Berenson, Richard						
Berenson, Robert						
Berger, Alica C.						
Bianculli, Louis						
Bierman, Jacquin						
Blumenthal, Joel Marie						
Braverman, Madlyn						
Bonk, Chris						
Carb, Sally						
Carney, Thomas						
Chambers, Robert						
CHO Enterprises						
Dembner, Shirley						
Dembner, Shirley UGMA for Lindsey Dembner						
Doner, Max						
Downey, Michael						
Dryfoos, Jacqueline						
Dubrowski, Raymond						
Evans, Ben						
Field, Walter L.						
Jesse Fierstein & Co.						
Fischer, Alan A.						
Freedman, Robert						
Gershon, Estate of Murray						
Getz, Howard						
Getz, Sandra						
Getz, Sandra & Howard						

	CLASS OF UNITS						
	COMMON UNITS				TOTAL	VALUE	PERCENTAGE
	A	C	D	E	COMMON UNITS	COMMON UNITS	COMMON UNITS
Vornado Realty Trust							
Vornado Realty Trust	43,527,559				43,527,559	\$1,552,628,030	46.7113%
Vornado Finance Corp	35,282,694				35,282,694	\$1,258,533,695	37.8634%
Vornado Investment Corporation	3,666,666				3,666,666	\$130,789,976	3.9349%
40 East 14 Realty Associates					0	\$0	0.0000%
General Partnership	1,639,278				1,639,278	\$58,473,046	1.7592%
825 Seventh Avenue Holding Corporation	235,516				235,516	\$8,400,856	0.2527%
Menands Holdings Corporation	536,524				536,524	\$19,137,811	0.5758%
Two Guys From Harrison, N.Y., Inc.	180,890				180,890	\$6,452,346	0.1941%
Washington Design Center, L.L.C.	65,807				65,807	\$2,347,336	0.0706%
Merchandise Mart Owners, L.L.C.					0	\$0	0.0000%
Merchandise Mart Enterprises, L.L.C.	395,967				395,967	\$14,124,143	0.4249%
World Trade Center Chicago, L.L.C.	603,948				603,948	\$21,542,825	0.6481%
Greene Street 1998 Exchange Fund, L.P.					0	\$0	0.0000%
Commonwealth Atlantic Properties Inc.							
Commonwealth Atlantic-Crystal City							
OP Holding Inc.							
Jacob H Froelich, Jr.	202,411				202,411	\$7,220,000	0.2172%
S.D. Phillips	0				0	\$0	0.0000%
George W Lyles	0				0	\$0	0.0000%
Canoe House Partners, LLC	0				0	\$0	0.0000%
Roaring Gap Limited Partnership	0				0	\$0	0.0000%
Phillips Property Company, LLC	0				0	\$0	0.0000%
							1.4522%
The Mendik Partnership, L.P.		2,512,023			2,512,023	\$89,603,860	2.6958%
Mendik Realty Company, Inc.	161				161	\$5,743	0.0002%
FW / Mendik REIT, L.L.C.	(2)	486,540			486,540	\$17,354,882	0.5221%
Mendik RELP Corp.		846			846	\$30,177	0.0009%
2750 Associates			2,704		2,704	\$96,452	0.0029%
Abrams, Trust U/W/O Ralph			7,244		7,244	\$258,393	0.0078%
Adler, Robert			2,496		2,496	\$89,032	0.0027%
Alpert, Vicki			5,228		5,228	\$186,483	0.0056%
Ambassador Construction Company, Inc.			37,178		37,178	\$1,326,139	0.0399%
Aschendorf-Shasha, Ellen			1,710		1,710	\$60,996	0.0018%
Ash, Herbert			154		154	\$5,493	0.0002%
Aubert, Trust FBO Lysa					0	\$0	0.0000%
UWO Barbara Schwartz			4,278		4,278	\$152,596	0.0046%
Aubert, Trust FBO Lysa					0	\$0	0.0000%
UWO Ellis Schwartz			256		256	\$9,132	0.0003%
Barr, Thomas			1,844		1,844	\$65,775	0.0020%
Barkin, Leonard			962		962	\$34,315	0.0010%
Batkin, Nancy			0		0	\$0	0.0000%
Batkin, Nancy 1998 Trust u/a/d 5/11/98	108		6,338		6,446	\$229,929	0.0069%
Berenson, David			1,034		1,034	\$36,883	0.0011%
Berenson, Joan			1,382		1,382	\$49,296	0.0015%
Berenson, Richard			842		842	\$30,034	0.0009%
Berenson, Robert			1,762		1,762	\$62,851	0.0019%
Berger, Alica C.			374		374	\$13,341	0.0004%
Bianculli, Louis			5,604		5,604	\$199,895	0.0060%
Bierman, Jacquin			5,376		5,376	\$191,762	0.0058%
Blumenthal, Joel Marie			154		154	\$5,493	0.0002%
Braverman, Madlyn			35,032		35,032	\$1,249,591	0.0376%
Bonk, Chris		75,344			75,344	\$2,687,520	0.0809%
Carb, Sally			1,793		1,793	\$63,956	0.0019%
Carney, Thomas			1,419		1,419	\$50,616	0.0015%
Chambers, Robert	145		7,961		8,106	\$289,141	0.0087%
CHO Enterprises			5,364		5,364	\$191,334	0.0058%
Dembner, Shirley	145		78		223	\$7,954	0.0002%
Dembner, Shirley UGMA					0	\$0	0.0000%
for Lindsey Dembner			3,462		3,462	\$123,490	0.0037%
Doner, Max			3,364		3,364	\$119,994	0.0036%
Downey, Michael		83,226			83,226	\$2,968,671	0.0893%
Dryfoos, Jacqueline			962		962	\$34,315	0.0010%
Dubrowski, Raymond			2,304		2,304	\$82,184	0.0025%
Evans, Ben			104		104	\$3,710	0.0001%
Field, Walter L.			1,680		1,680	\$59,926	0.0018%
Jesse Fierstein & Co.			4,045		4,045	\$144,285	0.0043%
Fischer, Alan A.			3,364		3,364	\$119,994	0.0036%
Freedman, Robert			5,770		5,770	\$205,816	0.0062%
Gershon, Estate of Murray			10,494		10,494	\$374,321	0.0113%
Getz, Howard			333		333	\$11,878	0.0004%
Getz, Sandra			7,328		7,328	\$261,390	0.0079%
Getz, Sandra & Howard			748		748	\$26,681	0.0008%

	TOTAL UNITS	TOTAL VALUE	PERCENTAGE INTEREST
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Vornado Realty Trust	90,858,366 (1)	\$3,331,924,752	82.2281%
Vornado Realty Trust			
Vornado Finance Corp			
Vornado Investment Corporation			
40 East 14 Realty Associates General Partnership			
825 Seventh Avenue Holding Corporation			
Menands Holdings Corporation			
Two Guys From Harrison, N.Y., Inc.			
Washington Design Center, L.L.C.	365,807	\$17,347,336	0.4281%
Merchandise Mart Owners, L.L.C.	1,049,349	\$52,467,450	1.2948%
Merchandise Mart Enterprises, L.L.C.	395,967	\$14,124,143	0.3486%
World Trade Center Chicago, L.L.C.	603,948	\$21,542,825	0.5317%
Greene Street 1998 Exchange Fund, L.P.	3,500,000	\$87,500,000	2.1594%
Commonwealth Atlantic Properties, Inc.	3,899,333	\$194,966,650	4.8116%
Commonwealth Atlantic - Crystal City OP Holding Inc.	1,098,667	\$54,933,350	1.3557%
Jacob H. Froelich, Jr.	352,478	\$12,572,890	0.3103%
S.D. Phillips	9,976	\$355,844	0.0088%
George W. Lyles	70,044	\$2,498,469	0.0617%
Canoe House Partners, LLC	200,090	\$7,137,210	0.1761%
Roaring Gap Limited Partnership	290,158	\$10,349,936	0.2554%
Phillips Property Company, LLC	27,577	\$983,672	0.0243%
			1.1694%
The Mendik Partnership, L.P.	2,512,023	\$89,603,860	2.2113%
Mendik Realty Company, Inc.	161	\$5,743	0.0001%
FW / Mendik REIT, L.L.C. (2)	486,540	\$17,354,882	0.4283%
Mendik RELP Corp.	846	\$30,177	0.0007%
2750 Associates	2,704	\$96,452	0.0024%
Abrams, Trust U/W/O Ralph	7,244	\$258,393	0.0064%
Adler, Robert	2,496	\$89,032	0.0022%
Alpert, Vicki	5,228	\$186,483	0.0046%
Ambassador Construction Company, Inc.	37,178	\$1,326,139	0.0327%
Aschendorf-Shasha, Ellen	1,710	\$60,996	0.0015%
Ash, Herbert	154	\$5,493	0.0001%
Aubert, Trust FBO Lysa	0	\$0	0.0000%
UWO Barbara Schwartz	4,278	\$152,596	0.0038%
Aubert, Trust FBO Lysa	0	\$0	0.0000%
UWO Ellis Schwartz	256	\$9,132	0.0002%
Barr, Thomas	1,844	\$65,775	0.0016%
Barkin, Leonard	962	\$34,315	0.0008%
Batkin, Nancy	0	\$0	0.0000%
Batkin, Nancy 1998 Trust u/a/d 5/11/98	6,446	\$229,929	0.0057%
Berenson, David	1,034	\$36,883	0.0009%
Berenson, Joan	1,382	\$49,296	0.0012%
Berenson, Richard	842	\$30,034	0.0007%
Berenson, Robert	1,762	\$62,851	0.0016%
Berger, Alice C.	374	\$13,341	0.0003%
Bianculli, Louis	5,604	\$199,895	0.0049%
Bierman, Jacquin	5,376	\$191,762	0.0047%
Blumenthal, Joel Marie	154	\$5,493	0.0001%
Braverman, Madlyn	35,032	\$1,249,591	0.0308%
Bonk, Chris	75,344	\$2,687,520	0.0663%
Carb, Sally	1,793	\$63,956	0.0016%
Carney, Thomas	1,419	\$50,616	0.0012%
Chambers, Robert	8,106	\$289,141	0.0071%
CHO Enterprises	5,364	\$191,334	0.0047%
Dembner, Shirley	223	\$7,954	0.0002%
Dembner, Shirley UGMA	0	\$0	0.0000%
for Lindsey Dembner	3,462	\$123,490	0.0030%
Doner, Max	3,364	\$119,994	0.0030%
Downey, Michael	83,226	\$2,968,671	0.0733%
Dryfoos, Jacqueline	962	\$34,315	0.0008%
Dubrowski, Raymond	2,304	\$82,184	0.0020%
Evans, Ben	104	\$3,710	0.0001%
Field, Walter L.	1,680	\$59,926	0.0015%
Jesse Fierstein & Co.	4,045	\$144,285	0.0036%
Fischer, Alan A.	3,364	\$119,994	0.0030%
Freedman, Robert	5,770	\$205,816	0.0051%
Gershon, Estate of Murray	10,494	\$374,321	0.0092%
Getz, Howard	333	\$11,878	0.0003%
Getz, Sandra	7,328	\$261,390	0.0065%
Getz, Sandra & Howard	748	\$26,681	0.0007%

Class of Units

Common Units									
A	C	D	E	Total Common Units	Value Common Units	Percentage Common Units	Total Units	Total Value	Percentage Interest
Gold, Frederica			414	414	\$14,767	0.0004%	414	\$14,767	0.0004%
Ginsberg, Benedict			932	932	\$33,244	0.0010%	932	\$33,244	0.0008%
Goldberg, Clarence			916	916	\$32,674	0.0010%	916	\$32,674	0.0008%
Goldring, Stanley			10,833	10,833	\$386,413	0.0116%	10,833	\$386,413	0.0095%
Goldschmidt, Beatrice			22,045	22,045	\$786,345	0.0237%	22,045	\$786,345	0.0194%
Goldschmidt, Charles			10,752	10,752	\$383,524	0.0115%	10,752	\$383,524	0.0095%
Goldschmidt, Edward			12,842	12,842	\$458,074	0.0138%	12,842	\$458,074	0.0113%
Goldschmidt, C. Trust U/A/D 7/11/90			8,389	8,389	\$299,236	0.0090%	8,389	\$299,236	0.0074%
Goldschmidt, Lawrence			92,454	92,454	\$3,297,834	0.0992%	92,454	\$3,297,834	0.0814%
Gorfinkle, Alaine			664	664	\$23,685	0.0007%	664	\$23,685	0.0006%
Gorfinkle, Lawrence			3,830	3,830	\$136,616	0.0041%	3,830	\$136,616	0.0034%
Gould Investors, L.P.	458,964			458,964	\$16,371,246	0.4925%	458,964	\$16,371,246	0.4040%
Green, Bernard			14,152	14,152	\$504,802	0.0152%	14,152	\$504,802	0.0125%
Green, Barbara			8,546	8,546	\$304,836	0.0092%	8,546	\$304,836	0.0075%
Greenbaum, David R.	701			701	\$25,005	0.0008%	701	\$25,005	0.0006%
Greif, Goldie			6,724	6,724	\$239,845	0.0072%	6,724	\$239,845	0.0059%
Gutenberg, Bernice			688	688	\$24,541	0.0007%	688	\$24,541	0.0006%
H L Silbert trustee U/W of H A Goldman			19,976	19,976	\$712,544	0.0214%	19,976	\$712,544	0.0176%
Hagler, Philip			14,631	14,631	\$521,888	0.0157%	14,631	\$521,888	0.0129%
Harteveldt, Robert L.			5,128	5,128	\$182,916	0.0055%	5,128	\$182,916	0.0045%
Hirsch, Phillip J.			338	338	\$12,056	0.0004%	338	\$12,056	0.0003%
Hirsch, Judith			338	338	\$12,056	0.0004%	338	\$12,056	0.0003%
Hrusha, Alan			1,844	1,844	\$65,775	0.0020%	1,844	\$65,775	0.0016%
Hutner, Anne Trust F/B/O			4,610	4,610	\$164,439	0.0049%	4,610	\$164,439	0.0041%
Hutner, Estate of Irwin			11,334	11,334	\$404,284	0.0122%	11,334	\$404,284	0.0100%
INS Realty Associates			269,516	269,516	\$9,613,636	0.2892%	269,516	\$9,613,636	0.2373%
Fierstein Co.			28,415	28,415	\$1,013,563	0.0305%	28,415	\$1,013,563	0.0250%
Jaffe, Elizabeth			76	76	\$2,711	0.0001%	76	\$2,711	0.0001%
Jones, Hazel			2,496	2,496	\$89,032	0.0027%	2,496	\$89,032	0.0022%
Kaufman, Robert M.			338	338	\$12,056	0.0004%	338	\$12,056	0.0003%
Klein, Robin			3,364	3,364	\$119,994	0.0036%	3,364	\$119,994	0.0030%
Knatten Inc.			141,998	141,998	\$5,065,069	0.1524%	141,998	\$5,065,069	0.1250%
Knight, Laureine		10,242		10,242	\$365,332	0.0110%	10,242	\$365,332	0.0090%
Komaroff, Stanley			576	576	\$20,546	0.0006%	576	\$20,546	0.0005%
Kosloff, Andrea			78	78	\$2,782	0.0001%	78	\$2,782	0.0001%
Kosloff, Andrea UGMA for Adam Kosloff				0	\$0	0.0000%	0	\$0	0.0000%
Kosloff, Andrea UGMA for Justin Kosloff			2,116	2,116	\$75,478	0.0023%	2,116	\$75,478	0.0019%
Koven, Irving			0	0	\$0	0.0000%	0	\$0	0.0000%
Koven, Esther			11,208	11,208	\$399,789	0.0120%	11,208	\$399,789	0.0099%
Kowal, Myron as Custodian for Andrew Kowal				0	\$0	0.0000%	0	\$0	0.0000%
Kramer, Saul			748	748	\$26,681	0.0008%	748	\$26,681	0.0007%
Kuhn, James D.	1,606	151,046		652	\$23,257	0.0007%	652	\$23,257	0.0006%
Kuhn, Leo			902	902	\$32,174	0.0010%	902	\$32,174	0.0008%
Kurshan, Herbert			2,496	2,496	\$89,032	0.0027%	2,496	\$89,032	0.0022%
Lauder, Leonard			4,660	4,660	\$166,222	0.0050%	4,660	\$166,222	0.0041%
Lauder, Ronald			4,660	4,660	\$166,222	0.0050%	4,660	\$166,222	0.0041%
Leff, Joseph			3,364	3,364	\$119,994	0.0036%	3,364	\$119,994	0.0030%
Leff, Valerie			3,364	3,364	\$119,994	0.0036%	3,364	\$119,994	0.0030%
Lefkowitz, Howard			414	414	\$14,767	0.0004%	414	\$14,767	0.0004%
LeRoy Partners			0	0	\$0	0.0000%	0	\$0	0.0000%
Liroff, Harriett			12,166	12,166	\$433,961	0.0131%	12,166	\$433,961	0.0107%
Liroff, Richard			1,532	1,532	\$54,646	0.0016%	1,532	\$54,646	0.0013%
Loewengart, Irene			1,664	1,664	\$59,355	0.0018%	1,664	\$59,355	0.0015%
Lovitz, David			2,244	2,244	\$80,043	0.0024%	2,244	\$80,043	0.0020%
M. Westport Associates		3,412		3,412	\$121,706	0.0037%	3,412	\$121,706	0.0030%
Maayan Partners			9,616	9,616	\$343,003	0.0103%	9,616	\$343,003	0.0085%
Marvin, Morton			914	914	\$32,602	0.0010%	914	\$32,602	0.0008%
Marvin, Suzanne			76	76	\$2,711	0.0001%	76	\$2,711	0.0001%
Maynard, Jean			2,304	2,304	\$82,184	0.0025%	2,304	\$82,184	0.0020%
Mazer, David			6,724	6,724	\$239,845	0.0072%	6,724	\$239,845	0.0059%
Mazer, Richard			6,724	6,724	\$239,845	0.0072%	6,724	\$239,845	0.0059%
Mendik, Bernard	13,162			13,162	\$469,489	0.0141%	13,162	\$469,489	0.0116%
Mendik, Susan		976	930	1,906	\$67,987	0.0020%	1,906	\$67,987	0.0017%
Mendik, Susan Trust /w/o Jean A. Batkin	36		4,474	4,510	\$160,872	0.0048%	4,510	\$160,872	0.0040%
L.C. Migdal & Ellin Kalmus, Trustees of Trust "B"				0	\$0	0.0000%	0	\$0	0.0000%
u/w/o of Murray Silberstein			10,256	10,256	\$365,832	0.0110%	10,256	\$365,832	0.0090%
Mil Equities			13,334	13,334	\$475,624	0.0143%	13,334	\$475,624	0.0117%
Myers Group III, Inc.	17,641			17,641	\$629,254	0.0189%	17,641	\$629,254	0.0155%
Myers Group IV, Inc.	126,979			126,979	\$4,529,341	0.1363%	126,979	\$4,529,341	0.1118%
Nevas, Alan		1,636		1,636	\$58,356	0.0018%	1,636	\$58,356	0.0014%
Nevas, Leo		3,271		3,271	\$116,677	0.0035%	3,271	\$116,677	0.0029%
Nicardo Corporation			0	0	\$0	0.0000%	0	\$0	0.0000%

Novick, Lawrence	154	154	\$5,493	0.0002%	154	\$5,493	0.0001%
Oestreich, David A.	38,808	38,808	\$1,384,281	0.0416%	38,808	\$1,384,281	0.0342%
Oestreich, Joan E.	38,802	38,802	\$1,384,067	0.0416%	38,802	\$1,384,067	0.0342%

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	Series A Preferred Units	Value of Series A	Percentage of Series A	Series B-1 Preferred Units	Value of Series B-1	Percentage of Series B-1	Series B-2 Preferred Units	Value of Series B-2	Percentage of Series B-2
Oestreich, Sophy									
Oppenheimer, Martin J.									
Oppenheimer, Suzanne									
Oshatz, Michael P.									
Phillips, Family Trust UWO Edith									
Phillips, Jonathan									
Phillips, Lynn									
Phillips, Estate of John D.									
Plum Partners L.P.									
Prentice Revocable Trust, 12/12/75									
RCAY S.A.									
Reichler, Richard									
Reingold, Suzy									
Roberts, H. Richard									
Roche, Sara									
Rolfe, Ronald									
Rosenberg, Ilse									
Rosenheim, Revocable Living Trust of Edna									
Rosenzweig, Abraham									
Rubashkin, Martin									
Rubin, Murray M.									
Sahid, Joseph									
Saunders, Paul									
Saul, Andrew									
Schacht, Ronald									
Schwartz, Trust FBO Samuel UWO Barbara Schwartz									
Schwartz, Trust FBO Samuel UWO Ellis Schwartz									
Schwartz, Trust FBO Carolynn UWO Barbara Schwartz									
Schwartz, Trust FBO Carolynn UWO Ellis Schwartz									
Shapiro, Howard									
Shapiro, Howard A.									
Shapiro, Robert I.									
Shasha, Alfred									
Shasha, Alfred A. & Hanina									
Shasha, Alfred & Hanina Trustees UTA 6/8/94									
Shasha, Robert Y.									
Shasha-Kupchick, Leslie									
Sheridan Family Partners, L.P.									
Shine, William									
Silberstein, John J.									
Silbert, Harvey I.									
Simons, Robert									
Sims, David									
Slaner, Estate of Alfred P.									
Steiner, Phillip Harry									
Steiner, Richard Harris									
Tannenbaum, Bernard									
Tannenbaum, Bernice									
Tartikoff Living Trust									
Winik, Trust U/W/O Carolyn									
Watt, Emily									
Wang, Kevin									
Weissman, Sheila									
Williams, John									
TOTAL	5,789,239	\$297,508,992	100.0000%	899,566	\$44,978,300	100.00%	449,783	\$22,489,150	100.00%

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Class of Units						
Series C-1 Preferred Units	Value of Series C-1	Percentage of Series C-1	Series D-1 Preferred Units	Value of Series D-1	Percentage of Series D-1	

Oestreich, Sophy
Oppenheimer, Martin J.

Oppenheimer, Suzanne
 Oshatz, Michael P.
 Phillips, Family Trust
 UWO Edith
 Phillips, Jonathan
 Phillips, Lynn
 Phillips, Estate of John D.
 Plum Partners L.P.
 Prentice Revocable Trust,
 12/12/75
 RCAY S.A.
 Reichler, Richard
 Reingold, Suzy
 Roberts, H. Richard
 Roche, Sara
 Rolfe, Ronald
 Rosenberg, Ilse
 Rosenheim, Revocable
 Living Trust of Edna
 Rosenzweig, Abraham
 Rubashkin, Martin
 Rubin, Murray M.
 Sahid, Joseph
 Saunders, Paul
 Saul, Andrew
 Schacht, Ronald
 Schwartz, Trust FBO Samuel
 UWO Barbara Schwartz
 Schwartz, Trust FBO Samuel
 UWO Ellis Schwartz
 Schwartz, Trust FBO
 Carolynn UWO Barbara
 Schwartz
 Schwartz, Trust FBO
 Carolynn UWO
 Ellis Schwartz
 Shapiro, Howard
 Shapiro, Howard A.
 Shapiro, Robert I.
 Shasha, Alfred
 Shasha, Alfred A. & Hanina
 Shasha, Alfred & Hanina
 Trustees UTA 6/8/94
 Shasha, Robert Y.
 Shasha-Kupchick, Leslie
 Sheridan Family
 Partners, L.P.
 Shine, William
 Silberstein, John J.
 Silbert, Harvey I.
 Simons, Robert
 Sims, David
 Slaner, Estate of Alfred P.
 Steiner, Phillip Harry
 Steiner, Richard Harris
 Tannenbaum, Bernard
 Tannenbaum, Bernice
 Tartikoff Living Trust
 Winik, Trust U/W/O Carolyn
 Watt, Emily
 Wang, Kevin
 Weissman, Sheila
 Williams, John

TOTAL

747,912 \$26,678,021 100.00%

3,500,000 \$87,500,000 100.00%

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Class of Units

Common Units

A C D

Oestreich, Sophy	4,610
Oppenheimer, Martin J.	338
Oppenheimer, Suzanne	338
Oshatz, Michael P.	30,180
Phillips, Family Trust UWO Edith	0
Phillips, Jonathan	3,364
Phillips, Lynn	3,364
Phillips, Estate of John D.	0
Plum Partners L.P.	0
Prentice Revocable Trust, 12/12/75	2,601
RCAY S.A.	

Reichler, Richard		5,400
Reingold, Suzy		4,888
Roberts, H. Richard		39,426
Roche, Sara		3,364
Rolfe, Ronald		1,844
Rosenberg, Ilse		576
Rosenheim, Revocable Living Trust of Edna		1,124
Rosenzveig, Abraham		3,744
Rubashkin, Martin		460
Rubin, Murray M.		3,364
Sahid, Joseph		1,844
Saunders, Paul		1,844
Saul, Andrew		20,196
Schacht, Ronald		988
Schwartz, Trust FBO Samuel UWO Barbara Schwartz		4,278
Schwartz, Trust FBO Samuel UWO Ellis Schwartz		256
Schwartz, Trust FBO Carolyn UWO Barbara Schwartz		4,278
Schwartz, Trust FBO Carolyn UWO Ellis Schwartz		256
Shapiro, Howard		932
Shapiro, Howard A.		336
Shapiro, Robert I.		3,364
Shasha, Alfred		5,770
Shasha, Alfred A. & Hanina		7,484
Shasha, Alfred & Hanina Trustees UTA 6/8/94		13,676
Shasha, Robert Y.		1,710
Shasha-Kupchick, Leslie		3,418
Sheridan Family Partners, L.P.		15,944
Shine, William		2,766
Silberstein, John J.	75,140	
Silbert, Harvey I.		19,976
Simons, Robert		3,364
Sims, David	52,938	
Slaner, Estate of Alfred P.		34,958
Steiner, Phillip Harry		1,124
Steiner, Richard Harris		1,124
Tannenbaum, Bernard		912
Tannenbaum, Bernice		76
Tartikoff Living Trust		3,364
Winik, Trust U/W/O Carolyn		3,364
Watt, Emily		1,332
Wang, Kevin	77,458	
Weissman, Sheila		664
Williams, John		2,244
TOTAL	86,956,908	3,534,098 1,340,011

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	Total Common Units	Value Common Units	Percentage Common Units	Total Units	Total Value	Percentage Interest
Oestreich, Sophy	4,610	\$164,439	0.0049%	4,610	\$164,439	0.0041%
Oppenheimer, Martin J.	338	\$12,056	0.0004%	338	\$12,056	0.0003%
Oppenheimer, Suzanne	338	\$12,056	0.0004%	338	\$12,056	0.0003%
Oshatz, Michael P.	30,180	\$1,076,521	0.0324%	30,180	\$1,076,521	0.0266%
Phillips, Family Trust UWO Edith	0	\$0	0.0000%	0	\$0	0.0000%
Phillips, Jonathan	3,364	\$119,994	0.0036%	3,364	\$119,994	0.0030%
Phillips, Lynn	3,364	\$119,994	0.0036%	3,364	\$119,994	0.0030%
Phillips, Estate of John D.	0	\$0	0.0000%	0	\$0	0.0000%
Plum Partners L.P.	0	\$0	0.0000%	0	\$0	0.0000%
Prentice Revocable Trust, 12/12/75	2,601	\$92,778	0.0028%	2,601	\$92,778	0.0023%
RCAY S.A.	0	\$0	0.0000%	0	\$0	0.0000%
Reichler, Richard	5,400	\$192,618	0.0058%	5,400	\$192,618	0.0048%
Reingold, Suzy	4,888	\$174,355	0.0052%	4,888	\$174,355	0.0043%
Roberts, H. Richard	39,426	\$1,406,325	0.0423%	39,426	\$1,406,325	0.0347%
Roche, Sara	3,364	\$119,994	0.0036%	3,364	\$119,994	0.0030%
Rolfe, Ronald	1,844	\$65,775	0.0020%	1,844	\$65,775	0.0016%
Rosenberg, Ilse	576	\$20,546	0.0006%	576	\$20,546	0.0005%
Rosenheim, Revocable Living Trust of Edna	0	\$0	0.0000%	0	\$0	0.0000%
Rosenzveig, Abraham	1,124	\$40,093	0.0012%	1,124	\$40,093	0.0010%
Rubashkin, Martin	3,744	\$133,548	0.0040%	3,744	\$133,548	0.0033%
Rubin, Murray M.	460	\$16,408	0.0005%	460	\$16,408	0.0004%
Rubin, Murray M.	3,364	\$119,994	0.0036%	3,364	\$119,994	0.0030%
Sahid, Joseph	1,844	\$65,775	0.0020%	1,844	\$65,775	0.0016%
Saunders, Paul	1,844	\$65,775	0.0020%	1,844	\$65,775	0.0016%
Saul, Andrew	20,196	\$720,391	0.0217%	20,196	\$720,391	0.0178%
Schacht, Ronald	988	\$35,242	0.0011%	988	\$35,242	0.0009%
Schwartz, Trust FBO Samuel	0	\$0	0.0000%	0	\$0	0.0000%

UWO Barbara Schwartz	4,278	\$152,596	0.0046%	4,278	\$152,596	0.0038%	
Schwartz, Trust FBO Samuel	0	\$0	0.0000%	0	\$0	0.0000%	
UWO Ellis Schwartz	256	\$9,132	0.0003%	256	\$9,132	0.0002%	
Schwartz, Trust FBO Carolynn	0	\$0	0.0000%	0	\$0	0.0000%	
UWO Barbara Schwartz	4,278	\$152,596	0.0046%	4,278	\$152,596	0.0038%	
Schwartz, Trust FBO Carolynn	0	\$0	0.0000%	0	\$0	0.0000%	
UWO Ellis Schwartz	256	\$9,132	0.0003%	256	\$9,132	0.0002%	
Shapiro, Howard	932	\$33,244	0.0010%	932	\$33,244	0.0008%	
Shapiro, Howard A.	336	\$11,985	0.0004%	336	\$11,985	0.0003%	
Shapiro, Robert I.	3,364	\$119,994	0.0036%	3,364	\$119,994	0.0030%	
Shasha, Alfred	5,770	\$205,816	0.0062%	5,770	\$205,816	0.0051%	
Shasha, Alfred A. & Hanina	7,484	\$266,954	0.0080%	7,484	\$266,954	0.0066%	
Shasha, Alfred & Hanina	0	\$0	0.0000%	0	\$0	0.0000%	
Trustees UTA 6/8/94	13,676	\$487,823	0.0147%	13,676	\$487,823	0.0120%	
Shasha, Robert Y.	1,710	\$60,996	0.0018%	1,710	\$60,996	0.0015%	
Shasha-Kupchick, Leslie	3,418	\$121,920	0.0037%	3,418	\$121,920	0.0030%	
Sheridan Family Partners, L.P.	15,944	\$568,722	0.0171%	15,944	\$568,722	0.0140%	
Shine, William	2,766	\$98,663	0.0030%	2,766	\$98,663	0.0024%	
Silberstein, John J.	75,140	\$2,680,244	0.0806%	75,140	\$2,680,244	0.0661%	
Silbert, Harvey I.	19,976	\$712,544	0.0214%	19,976	\$712,544	0.0176%	
Simons, Robert	3,364	\$119,994	0.0036%	3,364	\$119,994	0.0030%	
Sims, David	52,938	\$1,888,298	0.0568%	52,938	\$1,888,298	0.0466%	
Slaner, Estate of Alfred P.	34,958	\$1,246,952	0.0375%	34,958	\$1,246,952	0.0308%	
Steiner, Phillip Harry	1,124	\$40,093	0.0012%	1,124	\$40,093	0.0010%	
Steiner, Richard Harris	1,124	\$40,093	0.0012%	1,124	\$40,093	0.0010%	
Tannenbaum, Bernard	912	\$32,531	0.0010%	912	\$32,531	0.0008%	
Tannenbaum, Bernice	76	\$2,711	0.0001%	76	\$2,711	0.0001%	
Tartikoff Living Trust	3,364	\$119,994	0.0036%	3,364	\$119,994	0.0030%	
Winik, Trust U/W/O Carolyn	3,364	\$119,994	0.0036%	3,364	\$119,994	0.0030%	
Watt, Emily	1,332	\$47,512	0.0014%	1,332	\$47,512	0.0012%	
Wang, Kevin	77,458	\$2,762,927	0.0831%	77,458	\$2,762,927	0.0682%	
Weissman, Sheila	664	\$23,685	0.0007%	664	\$23,685	0.0006%	
Williams, John	2,244	\$80,043	0.0024%	2,244	\$80,043	0.0020%	
TOTAL	0	93,184,221	3,332,995,891	100.0000%	109,568,721	\$4,052,050,355	100.0000%

(1) Directly and through the following subsidiaries: Vornado Finance Corp., Vornado Investments Corporation, 40 East 14 Realty Associates General Partnership, 825 Seventh Avenue Holding Corporation, Menands Holding Corporation, and Two Guys From Harrison, N.Y., Inc.

(2) Pledged. (See Section 11.3.F of the Operating Partnership Agreement.)

Common Units

Vornado	85,069,127
Original Mendik Partners	6,218,994
Kennedy Partners	1,065,722
Freezer Services Partners	144,620
Westport Partners	8,319
770 Broadway Partner	458,964
20 Broad Partners	16,064
High Point Partners	202,411

	93,184,221
	=====

Investor	No. of Units
9th Floor Associates	736
Aaron Albert A	4,413
ABC Carpet	3,310
ABC Carpet	2,132
Adams, Boyce	736
Adams, Denton L.	1,066
Adam, Mahmoud	1,324
Alexander, Clifford	3,503
Allen Richard	1,104
Allen, Charlotte trust	8,826

Allen, Michael	2,648
Allen, William A	1,104
Allison, John W.	1,066
Allison, Enide	2,207
Allsion, Donald	1,104
Amaradio Anthony J.	8,826
Amato, Alfonso	990
Anastasio, Martin	1,181
Andersen, Ronald D.	1,066
Anderson-Dazey A Partnership	2,795
Anderson, C	736
Anderson, Jack	1,752
Anderson, Kent	2,942
Anderson, Ronald R	2,132
Angiuli, Michael	2,942
Ard, Marsha	442
Argyle Ltd.	4,413
Armbruster, Raytmond	2,437
Arnold, John R.	4,413
Asher, George	7,462
Asher, George	1,030
Ashford, Will	2,361
Auray, Delbert L	2,437
Austin, Michael	1,104
Bailey, Carl	736
Bain, Robert	2,132
Balda, John	736
Ballard, Thurman	2,132

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VORNADO REALTY L.P.
ADDENDUM TO EXHIBIT A
NEWKIRK PARTNERS

Investor	No. of Units
-----	-----
Bardaglio, George W.	686
Barksdale, Larry	1,181
Barlett, Danny A	572
Barnard, Bob	2,942
Barnes, Dianne H.	2,207
Barnes, Roy	1,104
Barnett, Kimbrew	662
Barnett, William	662
Barrett, Robert	1,729
Barwick, Edward	990
Beall, M. Scott	1,447
Bear Lake Partners	4,413
Bear, Jack I.	610
Beckett, Carolyn	13,238
Belk, Dewitte	2,437
Bellini, Carl	2,285
Belli, Elmer	3,808
Bell, Robert L	2,207
Belzer, Irvin S	552
Benkwith, Sanders	990
Bennett, Thomas	1,177
Benson, James	1,104
Berenson, Richard	4,569
Berman, Stanley	3,678
Bernatchez, Ernest	662
Berolzheimer, Philip	1,030
Berry, Rex	610
Bharathi, Aiyandar	762
Bhatia, Neera	2,132
Bice Jr, Robert	1,219
Bice, Robert	1,143
Bistline, F	552
Bjorkman, Lars	1,104
Black, Michael	2,970
Black, Roy G.	1,839
Blanke, Richard	1,066
Blass, Bill	1,545
Blessing, Norbert	3,427

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VORNADO REALTY L.P.
ADDENDUM TO EXHIBIT A

NEWKIRK PARTNERS

Investor	No. of Units
Blincow, Donald	1,066
Block, Harlan & Sandra	589
Bloomfield, Donald P.	368
Blose, R. Dennis	2,437
Boas, Donald	2,207
Bolger, Margaret	1,219
Bonaventure, Robert	305
Bonsanti, Robert L.	572
Boorstein, William	724
Bourque, J	736
Bourque, J	762
Bower, Thomas	1,177
Bowman, Donald	1,104
Bradley, Arthur	589
Brady, Alfred B	762
Brady, Timothy	368
Brand, Michael	4,413
Bransford, Helen	1,219
Bransford, JMD	1,219
Bransford, John	1,219
Bressler, R.M.	736
Briant, Andy	1,066
Broidy, Steven D	2,207
Brown, Gordon R.	2,285
Bruch, Thomas	1,104
Brunson, Kenneth	1,143
Brylawski, E. Fulton	7,615
Buchanan, Keith	572
Buch, Wally S.	1,599
Buck Trust	1,030
Buncher, James E	914
Burke, Joseph T.	1,104
Bussing, Constance	1,752
Bustrum, Glenn	305
Busuttil, Ronald	2,207
Butterworth, Jr., Thomas	1,324
Byers, J.S.	4,413
Byrnes, Don	610

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VORNADO REALTY L.P.
ADDENDUM TO EXHIBIT A
NEWKIRK PARTNERS

Investor	No. of Units
Byron, Mark & Barb	1,143
Cameron, Harold B	762
Campanelli, Nicholas	2,285
Cannon, Charles	4,569
Carpi, Leonard	1,066
Carroll, Druscilla	295
Carson, James	368
Cefalo, Robert	952
Cenci, Robert	295
Chaine Gerald H	3,960
Chestnut, William J.	1,839
Choate, Guy	552
Choice Investment	3,457
Chupp, Verlin R.	1,324
Chynoweth, Alan G.	2,132
Clardy, Bertha	2,207
Clarkson, James	1,030
Clove, Leonard	1,066
Cogan, James	762
Cohen, Albert H	3,678
Cohen, Jerry	610
Colaco, Mary	2,132
Coleman, John	552
Cole, Gordon	305
Cole, E Herschel	1,177
Collins Oldsmobile	1,030
Collins, David L	2,132

Collins, Fred	1,066
Conrad, Allan	2,574
Coulson, Jr., Frank	552
Cowan, Gary	368
Cozine, William	1,676
Craig, William	515
Crosby, Robert	1,523
Crossland, Robert	533
Crout, J. Richard	1,143
Crowe, Arthur	589
Cruz, Peter	1,324

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VORNADO REALTY L.P.
ADDENDUM TO EXHIBIT A
NEWKIRK PARTNERS

Investor	No. of Units
-----	-----
Cummings, Paul	1,030
Cunnington, Thomas	1,030
Cutler, Verne	952
D & T Real Estate	2,132
Dalglish, J. Martin	1,904
Dalton, John	762
Dalton, Wallace	2,207
Dalton, Wallace	1,471
D'Angelo, George J.	2,942
Daniel, Barry	368
Davidson, Eugene	2,285
Davini, Dave	990
Davini, David	305
Decker, Gary	572
Deeney, Terrence	883
Derck, Anthony D.	3,046
Derkson, DJ	3,457
Dever, Michael	1,030
Dhailiwal, Avtar	2,437
Dickerman, Sidney	610
Dixon, Richard Jobie	1,714
Dofour, John	495
Dolgin, Lyla	1,030
Dominey, Sam	8,528
Donnelly, Vincent T	1,104
Donnelson, Ken	2,207
Dosch, Darwin B.	1,104
Doss, David	762
Douglas & Canipe Ass.	2,285
Draper, Jean L.	914
Drayer, Jan I.M.	305
Drewery, Ruth	2,742
Drotleff, James R.	1,030
Drucker, Richard	1,104
Druker, Esmond	572
Dudzik, Thaddeus	1,676
Dugger, Ronald F.	305
DuPont, Frank	2,132

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VORNADO REALTY L.P.
ADDENDUM TO EXHIBIT A
NEWKIRK PARTNERS

Investor	No. of Units
-----	-----
Earle, Harry	572
Ezell, Dale	295
Eddy, Donald L	305
Eisenberg, Ivan	2,574
Eisenberg, Ivan & Bernice Trust	2,132
Ellis, Rodgers	762
Ellis, Rodgers	1,523
Ellis, Vernon	762
Elowitz, Steven	2,207

Elo, Denis	305
Elsen, Paul	736
Elson, William O	952
Engdahl, Gordon	736
Engelstein, Charles	1,219
Engel, Lee	2,285
Englehorn, T.D.	1,980
Epprecht, Walter	736
Epprecht, Walter	4,264
Epstein, Harold	883
Epstein, Raymond	4,413
Epstein, Ted	1,030
Erdle, Jack	1,030
Erlicht, Lewis	1,066
Ettari, Frank	1,030
Eurdolian, John	2,285
Ewing, John	1,143
Fadal, Richard G.	762
Fairchild, Paul W.	2,285
Farkas, Benjamin & Ellen	2,207
Feinberg, Donald & Marilyn	1,980
Feinberg, William	368
Feldman Trust	2,648
Fields, Nellie	3,046
Fierle, Robert	1,030
Fike, Lester L	4,569
Fike, Lester L., Jr.	5,590
Fillhardt, Charles	1,104
Finkel, Gary	2,285

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VORNADO REALTY L.P.
ADDENDUM TO EXHIBIT A
NEWKIRK PARTNERS

Investor	No. of Units
Fink, Donald	1,104
Fishman, Yoram	552
Flandry, Robert E., Sr.	2,795
Fleischman, Charles	1,030
Flekman, Manny	1,143
Fleming, Richard	773
Flood, James C.	4,569
Florlan, U	736
Flynn, James	368
Fox, Steven Kirk	3,198
Frankel, Edward	736
Frankel, Nancy	952
Frawley, David A.	1,030
Friedlaender, Trust	1,104
Friou, Roger	1,104
Funderburk, Larry	762
GA & Orachien Partnership	4,569
Galbraith, Robert	1,030
Galler, Andrew	1,143
Gants, Robert	610
Gardner, John	572
Gardner, Ronald	1,324
Gatlin, Larry W	2,132
Gavranovic, William J	1,471
Gay, Robert	1,104
Geesaman, Richard	305
George E. Esham, MD	1,523
Gerstel, Bryan R	1,177
Gibbons, Gerald	610
Gibson, John	2,437
Gibson, William	762
Gish, James	1,523
Glass, Cecil	1,066
Glass, Jr. John	2,648
Glazer, Dennis	1,839
Godchaux Bros.	2,132
Goddard, John	1,143
Godwin, James	533

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VORNADO REALTY L.P.

ADDENDUM TO EXHIBIT A
NEWKIRK PARTNERS

Investor	No. of Units
Goldman, James	1,143
Golick Living Trust	4,413
Goodman, Daniel E	1,904
Gorenstein, Aryeh	589
Gradisar, Ivan A	1,143
Grant, Paul	1,828
Greenberg, Arnold	1,324
Greene, Andrew	572
Green, Edward H	610
Gregorich, Norbert J	3,808
Grodsky, Michael	1,904
Grodsky, Ronald	1,904
Grossman, Thomas G.	762
Guthrie, Frank	572
Haas, Fox	990
Haas, John	8,826
Haas, John & Chara	9,138
Hackett, Robert D	686
Hagan, John	762
Hales, Donald	1,030
Hall, Diane Holmes	2,285
Hall, Lyle	1,030
Halpern, Andrew	762
Hames, Barbara R	4,874
Hamill, Joseph	2,207
Hamilton, Robert	1,398
Hamlin, Charles	1,030
Hampf, Frederick	1,471
Hancock, Rodney	1,143
Hanna Family Tr.	736
Hanna Trust	1,398
Hannah, Ray	1,986
Hargis, Donald	1,143
Harisis, TG	4,413
Harmon & Associates	35,301
Harris, Arthur	1,219
Harris, Donald	2,132
Harris, Rosalyn	2,132

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VORNADO REALTY L.P.
ADDENDUM TO EXHIBIT A
NEWKIRK PARTNERS

Investor	No. of Units
Hartley, Edith S.	2,437
Harwood, James	1,324
Hawkins, Thad	4,569
Hedgecock, Jasper	762
Hendee, Roy	1,447
Hendricks, Larry	2,132
Her Investments	1,471
Herrera, Alfred J.	305
Hesser, William	572
Hess, Charles	2,285
Hess, Charles	1,523
Higgins, Charles	762
Hilb, Justin	2,285
Hildebrand, Boren	1,471
Hinds, Don	1,523
Hoag, Elizabeth	1,471
Hochfelder, Gene	2,354
Hodes, Abram & Mildred	1,219
Hodes, Abram & Mildred	1,324
Hoffman, Herbert	368
Hoffman, Joseph	736
Holland Estate	368
Holly, James	762
Holly, James	3,731
Holwell, Robert	2,795
Hopkins, George	1,066

Hornstein, Eugene	952
Horton, Janie	762
Howie, Michael	1,219
HSB Equipment	3,046
Huckel, Hubert E.	1,066
Hueser, James N	3,678
Hullverson, Thomas	4,569
Hunt, Albert A	533
Hunt, Albert A.	533
Hunt, Tanner Trett	305
Hurtig, Barbara	1,104
Huse, Stephen	1,324

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VORNADO REALTY L.P.
ADDENDUM TO EXHIBIT A
NEWKIRK PARTNERS

Investor	No. of Units
Hutchinson, Charles P	2,285
Hyde, Richard	2,942
Ingram, Edith C.	589
Interstate Heating	3,655
Isenstadt, Fred	1,219
Iverson, Larry MD	736
Izbicki, Carl	1,030
Jabin, Norman E.	1,143
Jae Trust	368
Jae Trust	6,092
Jagoda-Pyle Partnership	3,678
Jagoda, Jo Kurth	1,523
Jankiewicz, Stanley	2,437
Jasper, Herbert	838
Joel J. West, MD	1,523
Johnson, Carl	736
Johnson, Roland	662
Johnson, Samuel	736
Johnson, Samuel	1,143
Johnson, Tom	952
Johnson, Tom	1,839
Johns, R	572
Johns, O	368
Jones, Charles H	5,516
Jones, Norman	920
Joshua, Baskaran	736
Kahn, P. Frederick	2,207
Kalinowski, Ed	305
Kanner, Robert	662
Kates, Richard	589
Kates, Richard	990
Kearns, Lyles	3,972
Kenan, Thomas S. III	4,569
Kendrick, Frank	2,132
Kilpatrick, William	368
Kimball, David	2,207
Kimball, Richard R.	2,207
Kimmel, Marvin	1,030

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VORNADO REALTY L.P.
ADDENDUM TO EXHIBIT A
NEWKIRK PARTNERS

Investor	No. of Units
Kingmont Corporation	4,569
King, Michael S.	1,066
King, Steven G	1,143
Kinsel, Joe	2,437
Kinsel, Joe Jr	2,437
Kirschner, Helen	2,132
Kiyasu, William	1,066
Klausner, Joel	3,503

Klein, Albert	1,219
Klugow, allen	1,104
Klump, Rob	736
Kmeta, Walter	2,207
Koboli, Daryoush	1,839
Koch, Karl	1,219
Koch, Karl	1,030
Koplik, Michael	1,752
Kosta, Nicholas	4,413
Kostin, Ben	589
Krusemark, FD	1,324
Kurzweg, III, Victor	1,904
Lahourcade, John	686
Laing, Gerald	442
Lamar Airways	2,285
Lampman, J	368
Landolfi, Anthony	2,207
Lange, Norman M.	952
Lattimore, James	990
Lee, William	1,030
Lenfest, H.F.	2,285
Leonard, James	1,066
Lerman, Stephen	920
Leslie, Seymour	2,354
Levine, Harris B	1,143
Levine, Joseph	1,066
Levy, Irvin	3,808
Lewis, Robert	2,795
Lindsey, Mildred & John	1,104
Lind, Dennis	662

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VORNADO REALTY L.P.
ADDENDUM TO EXHIBIT A
NEWKIRK PARTNERS

Investor	No. of Units
Linscomb & Williams	838
Lipson, Eugene	533
Locke, Karl	762
Lodyga, Ervin	662
Loeb, Stanley	1,104
Lohavichan, Virat	4,569
Lombardo, John	2,132
Lombardo, John	1,030
Long, M	2,437
Long, M Phillip	11,032
Lowenraub, Jerome	1,676
Lowe, Jonathan/Bihary, Joyce	610
Lowinger, Louis	2,132
Lowinger, Morris	2,354
Lowinger, Morris	2,132
Ludwig, Glen L	8,528
Lyman, C. Bradley	1,980
Lynn, Emerson	2,285
L.S.B. Partners	2,285
MacIlwaine, John	305
Madden, Joan	762
Madera Corporation	920
Madsen,, H. Stephen	1,839
Mahler, Glenn	244
Mallin & Swersky	914
Manasevit, Stanley	1,980
Manders, Gus H	515
Manders, Gus H	1,104
Maney, Thomas	1,143
Maple City Ice Company	4,569
Margolis, Barbara	2,132
Marks, Sara Ann Gross	6,092
Marshall, Chester	515
Maruyama, Herbert H.	762
Mathur, Arun K	2,437
Mathur, Arun K.	2,132
Mativi, Rob	1,904
Matthews, Arthur J	368

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VORNADO REALTY L.P.
ADDENDUM TO EXHIBIT A
NEWKIRK PARTNERS

Investor	No. of Units
Mayo, Joseph	2,132
May, Robert S.	1,143
Mc Cleary, Dale L	762
McBain, Laurie	2,132
McBain, Laurie	2,207
McConnell, Robert G	762
McCool, Michael F	305
McDowell, Larry	1,839
McElroy, Michael	1,980
McKay, Malcom A	2,795
McKee, Elsworth	4,569
McKee, Jack	4,569
McKenna, James	1,980
McNeill, Gilbert	993
McNeill, Jack G	762
Mcneil, steven	1,219
McSpadden, Floyd	610
McSpadden, Patti P	610
Meador, Moorman	1,471
Meck Company	4,413
Meicher, Gordon	589
Meil, Leslie A.	2,132
Merlos, J	920
Methvin, Gaynell	736
Metz, Lawrence N.	1,471
Meyer, Gary	736
Micheli, Donald	1,177
Millenium (replace KT)	2,207
Minkoff, Leon & Janet	1,523
Misrach, Ivan	1,219
Mitchell, George	4,569
Mitchell, George	4,119
Mitchel, David	2,285
Mitchel, Stephen	2,285
Mitchel, Thomas	2,285
Montgomery, G	762
Morrison, Robert	1,104
Morris, David	1,030

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VORNADO REALTY L.P.
ADDENDUM TO EXHIBIT A
NEWKIRK PARTNERS

Investor	No. of Units
Mortimer, Susan & Philip	736
Morton, Richard	1,030
Murray, John	1,030
Murray, Jr., John	2,648
Murray, Larry	2,648
Nassi, Albert	3,046
Nelson, A	2,207
Nelson, Donald	993
Nelson, Erven & Frankie	1,287
Nelson, John	1,143
Neumann, Nicholas H.	2,171
Newhouse, Jeff	1,104
Newlin, Michael	920
Noble, Marvin J.	1,523
Odom, Douglas	1,447
O'Hara, Pat	2,207
Olson, Edmund	589
Olson, Joyce	421
Omnibus Associates	4,413
O'Neill, Hugh	1,030
Oppenheim, Joan	736
Ordway, John	4,569
Outten, Claude	1,104
Owen, Kenneth D	368
Owen, Pere A.	610

Owen, R	736
Panama	2,437
Panter, Gideon	1,471
Parker, Max	552
Parris, Daniel	736
Pasqualicchio, Gary	952
Patel, Jagdish	952
Pearson, Lyle	1,523
Peavyhouse, Joel	1,219
Peraldo Trust	2,132
Peraldo, Ronald L.	1,066
Perry, William	993
Peterson, Charles	3,046

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VORNADO REALTY L.P.
ADDENDUM TO EXHIBIT A
NEWKIRK PARTNERS

Investor	No. of Units
Pettis, Charles	1,030
Petzall, Gerhard	2,285
Phan, Nguyen K	1,104
Picazio, Stephen J.	495
Plitt, Eugene	2,437
Pociask, William H.	4,413
Poisner, Werner	762
Poma, Gino S.	4,264
Pomeranz, Steven L	610
Porter, Randall	1,066
Powell, Willis M	1,904
Presser, Neil N	1,324
Prischak, Joseph	1,030
Procter, Doak	1,219
Procter, Doak C. Jr.	610
Provenzano, Richard	1,324
Pruett, James	1,828
Quaritus, Jack	572
Quaritus, Jack	773
Quinn, Robert	2,132
Rabinowitz, Ivy	3,655
Randall, Zane	883
Ranvir Ltd.	762
Ray, Subrata	1,839
Raznick, David	1,104
REB Investments	990
Redman, Larry	1,324
Reeves, T. Joseph	2,132
Regan, Gerald P	1,177
Regan, Gerald P.	2,207
Riemenschneider, Herbert	1,523
Ringler, Charles	2,207
Roberts, John	552
Robinson, Alden	368
Robinson, Paul	736
Roe, Maudi	1,066
Rogers, Gary	1,904
Rogers, I. David	2,132

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VORNADO REALTY L.P.
ADDENDUM TO EXHIBIT A
NEWKIRK PARTNERS

Investor	No. of Units
Romano, Jule	3,046
Rome, Mike	552
Rosenberg, Elliott	1,904
Rosen, Arlene	1,030
Ross, Charles Ronald	990
Rothman, Robert & Donna	610
Roth, Elliot	35

Roth, Elliot	30
Roth, Elliot	29
Roth, Elliot	12
Roth, Elliot	31
Roth, Elliot	7
Roth, Elliot	11
Roth, Elliot	22
Roth, Elliot	70
Rudar, Norman	610
Ruder, Norman	2,207
Rushton, Alvey	1,030
Russo, James	1,398
Rusthoven, Terry	876
Rust, Dale M	990
Rutledge, III, Guy	2,361
Sadar, Edward	2,285
Sadovsky, Marvin	1,324
Sajan Financial	2,132
Sarraffian, Edgar	762
Satiani, Bhagwan	762
Satiani, Bhagwan	1,839
Sato, Sam I	2,132
Saunders Trust	1,066
Savidge, Samuel	572
Scandizzo, John	2,285
Schaeffer, Karl	1,676
Schatten, Joan	610
Schiebler, Audrey	1,181
Schiebler, Audrey L	305
Schmidt, Benno C.	1,030
Schmidt, Jareen	1,030

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VORNADO REALTY L.P.
ADDENDUM TO EXHIBIT A
NEWKIRK PARTNERS

Investor	No. of Units
Schmidt, Terrence	876
Schneider, Sandra	589
Schneider, Sandra	1,104
Scholz, Jack V.	368
Schuessler, Carl	1,030
Schwartz, Arnold	773
Schwartz, Harold	1,471
Scott, Arthur	1,324
Scott, Brian	662
Scott, Gary	2,942
Seed, John	1,447
Segale, Angelo	1,030
Selinger, Irwin	736
Sensenbrenner, John	2,132
Shagin, Felix	1,066
Shalam, John	1,219
Shapiro, Michael	552
Sharpe, Lawrence	295
Sheets, Phillis J.	736
Sher, David	736
Shieldknight, Jimmy	1,177
Shieldknight, Marcia	589
Shink, Simon	610
Shneider, David	1,030
Shollenberger, Dorothy	2,285
Sigmund, Charles A.	572
Silverstein, Stephen	1,471
Silverstein, Stephen	1,030
Smith, Boyd	4,413
Smith, De Lancey A	589
Smith, George	2,207
Smith, John	1,030
Smith, Laurence R. Jr. Trust	2,795
Smith, Leslie E	2,132
Smith, Nathan	1,066
Smith, Sherwood	1,904
Smith, Stanley R.	2,132
Smith, Vernon	1,980

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VORNADO REALTY L.P.
 ADDENDUM TO EXHIBIT A
 NEWKIRK PARTNERS

Investor	No. of Units
Soderberg, Joe	1,030
Solitare, Samuel	4,264
Sommers, Steven	1,177
Sorenson, John	2,132
Sosebee, Lee Allen	3,678
Soskin, William	2,207
Southwest Trust	2,132
Sparks, Sam	1,104
Sparveri, Joseph W	589
Spencer, Donn	920
Spillar, Max L	1,471
Splan, Craig	762
Stafford, Louis	1,030
Stagnari, Elliott	1,828
Stagnari, Ronald E.	610
Stallworth, William	736
Starr, Irwin P.	305
Steinbrink, William	1,471
Stein, Robert	1,219
Stellato, Robert	1,104
Stenger, Michael	1,523
Stephens, Charles	1,030
Stern, Larry & Karen Lee	2,207
Stevens, Kenneth	1,066
Stevens, Lester F.	2,132
Stevens, Ralph	1,714
Stewart, Charles E.	2,132
Stinghen, Donato	515
Stocknoff, Alan	4,264
Stoddard, Ed	2,132
Stone, Justin	572
Strepig, Charles	184
Stufflebam, Rob	662
Stufflebam, Robert	724
St. Clair, Jr., Wilbur	952
Sullivan, Denis	1,143
Sullivan, James F.	1,839
Summers, Carrol E.	2,132

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VORNADO REALTY L.P.
 ADDENDUM TO EXHIBIT A
 NEWKIRK PARTNERS

Investor	No. of Units
Sundt, Estate of Thoralf	572
Sussman, Bernard	2,207
Swann, E.F	1,104
Swann, Thomas	1,655
Swaykus, Bernard T.	572
Sweet Family Ltd. Ptshp.	1,523
Sweet, Ross	1,066
Swirsky, Myrna	1,980
S.P. Revocable Trust, Peck	2,285
Tabbush, Jack	1,104
Taufield, Jeffrey Z.	305
Taylor Trust	515
Taylor, William	368
Temkovits, Robert H.	552
Thomas, M. Ross	2,285
Thompson, Kent	1,181
Thompson, Robert	184
Thyrre, Marilyn	2,207
Tisch Tenants	2,207
Toolan, John P.	4,569
Tramontozzi, Anthony	4,721
Trautman, William E	736
Tromp, Leonard S	2,132
Trudeau, Garretson	736

Trumble, Ed	2,132
Trumble, Edward	1,545
Trumble, Edward P	1,030
Tucker, Richard	1,030
Tupler, Austin	2,207
Turman, David	952
Turner, Clyde T.	4,413
Twining, Paul	589
Uible, John	4,569
Uible, John	2,207
Underwood, Leonard	3,678
Usgaonker, RS	2,942
Van Meter, Stephen & Sharon	3,960
Van Wieren, Clare	2,437

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VORNADO REALTY L.P.
ADDENDUM TO EXHIBIT A
NEWKIRK PARTNERS

Investor	No. of Units
-----	-----
Vanadurongvan, Kanya	572
Vance, Robert	920
Varble, Daniel	2,207
Vaughn Petroleum	4,264
Vaughn Petroleum	21,473
Vaughn, Thomas F.	1,143
Vigil, Dr. Alfredo	610
Wakefield, William J	368
Waldorf Associates	2,285
Waldorf, Kenneth	3,731
Walker, Barret	876
Wallace, John	1,177
Walter Eprecht And	1,398
Wander, John	1,066
Ware, Charles T.	736
Ware, Cornelius	2,942
Ware, Cornelius S.	1,471
Ware, Lamar	1,143
Watson, Diane Berenson	2,285
Weatherbee, Robert	762
Weavil, David	736
Webb, Philip	305
Webb, Rhonda	305
Weiner, Stanford	2,207
Weintraub, George	368
Weiss, Benjamin J	1,219
Weiss, Stanley	2,132
Wenck, William A.	368
Wesson, Craig	1,143
West Elizabeth Lumber	1,471
West, Gerald	368
West, Joel J	305
Wheaton, Richard	2,437
Whisler, Jon	552
White, Martin	1,219
Whitley, Gerald	876
Wiegand, Edwin	1,219
Williamson, Heidi	2,285

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VORNADO REALTY L.P.
ADDENDUM TO EXHIBIT A
NEWKIRK PARTNERS

Investor	No. of Units
-----	-----
Williams, Charles	1,143
Wilner trust	1,398
Wilson, Plato	4,413
Wilson, Plato	2,354
Wilson, Susan	2,132
Wilson, W	589

Windfeldt, Peter	610
Witten, M.D. Bruce	2,795
Witt, W. Thurman	2,285
Wolf, Albert	3,046
Wolf, Ronald	305
Woodman, Stephen	876
Wood, Dennis	1,839
Wood, James	1,219
Wood, James	1,219
Wright, John	412
Wright, Kenneth	2,132
Wright, Kenneth	2,060
Wyler, David	153
Wyler, Katherine	153
Yassine, Zouhair	2,285
Youngblood, Alice	1,030
Zack, Herbert	4,413
Zack, Ronald	4,569
Zisser, Barry	1,324
Zubowski, Gale	2,207

	1,353,204
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Section 5: EX-3.3 (ARTICLES SUPPLEMENTARY)

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Exhibit 3.3

VORNADO REALTY TRUST

ARTICLES SUPPLEMENTARY

8.5% SERIES B CUMULATIVE REDEEMABLE PREFERRED SHARES
(LIQUIDATION PREFERENCE \$25.00 PER SHARE)

Vornado Realty Trust, a Maryland real estate investment trust (the "Trust"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: Under a power contained in Article VI of the Amended and Restated Declaration of Trust of the Trust (the "Declaration"), and delegated by the Board of Trustees of the Trust (the "Board of Trustees") to the Pricing Committee of the Board of Trustees (the "Pricing Committee"), the Pricing Committee, at a special meeting duly called and held on March 12, 1999, classified and designated 3,450,000 shares (the "Shares") of the Preferred Stock, no par value per share (as defined in the Declaration), as shares of 8.5% Series B Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share ("Series B Preferred Shares"), with the following preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption, which upon any restatement of the Declaration, shall be deemed to be part of Article VI of the Declaration, with any necessary or appropriate changes to the enumeration or lettering of sections or subsections hereof:

8.5% Series B Cumulative Redeemable Preferred Shares

SECTION 1. NUMBER OF SHARES AND DESIGNATION. This series of Preferred Stock shall be designated as 8.5% Series B Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share (the "Series B Preferred Shares"), and 3,450,000 shall be the number of shares of Preferred Stock constituting such series.

SECTION 2. DEFINITIONS. For purposes of the Series B Preferred Shares, the following terms shall have the meanings indicated:

"Annual Dividend Rate" shall have the meaning set forth in paragraph (a) of Section 3 hereof.

"Board of Trustees" shall mean the Board of Trustees of the Trust or any committee authorized by

such Board of Trustees to perform any of its responsibilities with respect to the Series B Preferred Shares.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which state or federally chartered banking institutions in New York, New York are not required to be open.

"Capital Shares" shall have the meaning set forth in paragraph (b) of Section 5 hereof.

"Common Shares" shall mean the common shares of beneficial interest of the Trust, par value \$.04 per share.

"Declaration" shall mean the Amended and Restated Declaration of Trust of the Trust.

"Dividend Payment Date" shall mean January 1, April 1, July 1 and October 1, in each year, commencing on July 1, 1999; provided, however, that if any Dividend Payment Date falls on any day other than a Business Day, the dividend payment due on such Dividend Payment Date shall be paid on the first Business Day immediately following such Dividend Payment Date.

"Dividend Payment Record Date" shall have the meaning set forth in paragraph (a) of Section 3 hereof.

"Dividend Periods" shall mean quarterly dividend periods commencing on January 1, April 1, July 1 and October 1 of each year and ending on and including the day preceding the first day of the next succeeding Dividend Period (other than the initial Dividend Period with respect to each Series B Preferred Share, which shall commence on the date on which such Series B Preferred Share was issued by the Trust and end on and include the day preceding the first day of the next succeeding Dividend Period).

"Junior Shares" shall mean the Common Shares and any other class or series of shares of beneficial interest of the Trust constituting junior stock within the meaning set forth in paragraph (c) of Section 9 hereof.

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"Liquidation Preference" shall have the meaning set forth in paragraph (a) of Section 4 hereof.

"Operating Partnership" shall have the meaning set forth in paragraph (b) of Section 5 hereof.

"Parity Shares" shall have the meaning set forth in paragraph (b) of Section 9 hereof.

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

"Redemption Date" shall have the meaning set forth in paragraph (b) of Section 5 hereof.

"Redemption Price" shall have the meaning set forth in paragraph (b) of Section 5 hereof.

"Series B Preferred Shares" shall have the meaning set forth in Section 1 hereof.

"Set apart for payment" shall be deemed to include, without any action other than the following, the recording by the Trust in its accounting ledgers of any accounting or bookkeeping entry which indicates, pursuant to a declaration of a dividend or other distribution by the Board of Trustees, the allocation of funds to be so paid on any series or class of shares of beneficial interest of the Trust; provided, however, that if any funds for any class or series of Junior Shares or any class or series of shares of beneficial interest ranking on a parity with the Series B Preferred Shares as to the payment of dividends are placed in a separate account of the Trust or delivered to a disbursing, paying or other similar agent, then "set apart for payment" with respect to the Series B Preferred Shares shall mean placing such funds in a separate account or delivering such funds to a disbursing, paying or other similar agent.

"Transfer Agent" means First Union National Bank, Charlotte, North Carolina, or such other agent or agents of the Trust as may be designated by the Board of Trustees or its designee as the transfer agent for the Series B Preferred Shares.

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"Voting Preferred Shares" shall have the meaning set forth in Section 10 hereof.

SECTION 3. DIVIDENDS. (a) The holders of Series B Preferred Shares shall be entitled to receive, when, as and if authorized by the Board of Trustees and declared by the Trust out of assets legally available for that purpose, dividends payable in cash at the rate per annum of \$2.125 per Series B Preferred Share (the "Annual Dividend Rate") (equivalent to a rate of 8.5% of the Liquidation Preference per annum). Such dividends with respect to each Series B Preferred Share shall be cumulative from the date on which such Series B Preferred Share was issued by the Trust, whether or not in any Dividend Period or Periods there shall be assets of the Trust legally available for the payment of such dividends, and shall be payable quarterly, when, as and if authorized by the Board of Trustees and declared by the Trust, in arrears on Dividend Payment Dates, commencing with respect to each Series B Preferred Share on the first Dividend Payment Date after the date on which such Series B Preferred Share was issued by the Trust. Dividends are cumulative from the most recent Dividend Payment Date to which dividends have been paid, whether or not in any Dividend Period or Periods there shall be assets legally available therefor. Each such dividend shall be payable in arrears to the holders of record of the Series B Preferred Shares, as they appear on the share records of the Trust at the close of business on such record dates, not more than 30 days preceding the applicable Dividend Payment Date (the "Dividend Payment Record Date"), as shall be fixed by the Board of Trustees. Accrued and unpaid dividends for any past Dividend Periods may be authorized and declared and paid at any time, without reference to any regular Dividend Payment Date, to holders of record on such date, not exceeding 45 days preceding the payment date thereof, as may be fixed by the Board of Trustees.

(b) The amount of dividends payable for each full Dividend Period for the Series B Preferred Shares shall be computed by dividing the Annual Dividend Rate by four. The amount of dividends payable for the initial Dividend Period, or any other period shorter or longer than a full Dividend Period, on the Series B Preferred Shares shall be computed on the basis of twelve 30-day months and a 360-day year. Holders of Series B Preferred Shares shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of cumulative dividends, as herein provided, on the Series B Preferred Shares. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series B Preferred Shares that may be in arrears.

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(c) So long as any Series B Preferred Shares are outstanding, no dividends, except as described in the immediately following sentence, shall be authorized and declared or paid or set apart for payment on any series or class or classes of Parity Shares for any period unless full cumulative dividends have been or contemporaneously are authorized and declared and paid or authorized and declared and a sum sufficient for the payment thereof set apart for such payment on the Series B Preferred Shares for all Dividend Periods terminating on or prior to the Dividend Payment Date on such class or series of Parity Shares. When dividends are not paid in full or a sum sufficient for such payment is not set apart, as aforesaid, all dividends authorized and declared upon Series B Preferred Shares and all dividends authorized and declared upon any other series or class or classes of Parity Shares shall be authorized and declared ratably in proportion to the respective amounts of dividends accumulated and unpaid on the Series B Preferred Shares and such Parity Shares.

(d) So long as any Series B Preferred Shares are outstanding, no dividends (other than dividends or distributions paid solely in shares of, or options, warrants or rights to subscribe for or purchase shares of, Junior Shares) shall be authorized and declared or paid or set apart for payment or other distribution authorized and declared or made upon Junior Shares, nor shall any Junior Shares be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of Common Shares made for purposes of and in compliance with requirements of an employee incentive or benefit plan of the Trust or any subsidiary, or as permitted under Article VI of the Declaration), for any consideration (or any moneys to be paid to or made available for a sinking fund for the redemption of any such shares) by the Trust, directly or indirectly (except by conversion into or exchange for Junior Shares), unless in each case (i) the full cumulative dividends on all outstanding Series B Preferred Shares and any other Parity Shares of the Trust shall have been paid or set apart for payment for all past Dividend Periods with respect to the Series B Preferred Shares and all past dividend periods with respect to such Parity Shares and (ii) sufficient funds shall have been paid or set apart for the payment of the dividend for the current Dividend Period with respect to the Series B Preferred Shares and any Parity Shares.

SECTION 4. LIQUIDATION PREFERENCE. (a) In the event of any liquidation, dissolution or winding up of the

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Trust, whether voluntary or involuntary, before any payment or distribution of the assets of the Trust (whether capital or surplus) shall be made to or set apart for the holders of Junior Shares, the holders of Series B Preferred Shares

shall be entitled to receive Twenty-Five Dollars (\$25.00) per Series B Preferred Share (the "Liquidation Preference") plus an amount equal to all dividends (whether or not earned or declared) accrued and unpaid thereon to the date of final distribution to such holder; but such holders of Series B Preferred Shares shall not be entitled to any further payment. If, upon any such liquidation, dissolution or winding up of the Trust, the assets of the Trust, or proceeds thereof, distributable among the holders of Series B Preferred Shares shall be insufficient to pay in full the preferential amount aforesaid and liquidating payments on any other Parity Shares, then such assets, or the proceeds thereof, shall be distributed among the holders of such Series B Preferred Shares and any such other Parity Shares ratably in accordance with the respective amounts that would be payable on such Series B Preferred Shares and any such other Parity Shares if all amounts payable thereon were paid in full. For the purposes of this Section 4, (i) a consolidation or merger of the Trust with one or more entities, (ii) a statutory share exchange and (iii) a sale or transfer of all or substantially all of the Trust's assets shall not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, of the Trust.

(b) Subject to the rights of the holders of shares of any series or class or classes of shares of beneficial interest ranking on a parity with or prior to the Series B Preferred Shares upon liquidation, dissolution or winding up, upon any liquidation, dissolution or winding up of the Trust, after payment shall have been made in full to the holders of the Series B Preferred Shares, as provided in this Section 4, any series or class or classes of Junior Shares shall, subject to any respective terms and provisions applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the holders of the Series B Preferred Shares shall not be entitled to share therein.

SECTION 5. REDEMPTION AT THE OPTION OF THE TRUST. (a) Except as otherwise permitted by Article VI of the Declaration, the Series B Preferred Shares shall not be redeemable by the Trust prior to March 17, 2004. On and after March 17, 2004, the Trust, at its option, may redeem the shares of Series B Preferred Shares, in whole or in part, as set forth herein, subject to the provisions described below.

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(b) On and after March 17, 2004, the Series B Preferred Shares shall be redeemable at the option of the Trust, in whole or in part, at any time or from time to time, at a redemption price of \$25.00 per Series B Preferred Share, plus any accrued and unpaid dividends to the date fixed for redemption (the "Redemption Price"). The Redemption Price of the Series B Preferred Shares (other than any portion consisting of accrued and unpaid dividends) shall be payable solely with the proceeds from the sale by the Trust or Vornado Realty L.P., a Delaware limited partnership (the "Operating Partnership"), of other Capital Shares of the Trust or the Operating Partnership (whether or not such sale occurs concurrently with such redemption). For purposes of the preceding sentence, "Capital Shares" means any common shares, preferred shares, depositary shares, partnership or other interests, participations or other ownership interests (however designated) and any rights (other than debt securities convertible into or exchangeable for equity securities) or options to purchase any of the foregoing of or in the Trust or the Operating Partnership. Each date on which Series B Preferred Shares are to be redeemed (a "Redemption Date") (which may not be before March 17, 2004) shall be selected by the Trust, shall be specified in the notice of redemption and shall not be less than 30 days or more than 60 days after the date on which the Trust gives, or causes to be given, notice of redemption by mail pursuant to the next paragraph.

The Trust shall give notice of redemption by publication in a newspaper of general circulation in The City of New York, such publication to be made once a week for two successive weeks commencing not less than 30 nor more than 60 days prior to the redemption date. A similar notice shall be mailed, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, addressed to the respective holders of record of the Series B Preferred Shares at their respective addresses as they appear on the Trust's share transfer records. A failure to give such notice or any defect in the notice or in its mailing shall not affect the validity of the proceedings for the redemption of any Series B Preferred Shares except as to the holder to whom notice was defective or not given. Each notice shall state: (i) the Redemption Date; (ii) the Redemption Price; (iii) the number of Series B Preferred Shares to be redeemed and, if fewer than all the Series B Preferred Shares held by such holder are to be redeemed, the number of such Series B Preferred Shares to be redeemed from such holder; (iv) the place or places where the certificates evidencing the Series B Preferred Shares are to be surrendered for payment of the Redemption Price; and (v)

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that distributions on the shares to be redeemed will cease to accrue on such Redemption Date except as otherwise provided herein.

(c) Upon any redemption of Series B Preferred Shares, the Trust shall pay any accrued and unpaid dividends in arrears for any Dividend Period ending on or prior to the Redemption Date. If the Redemption Date falls after a Dividend Payment Record Date and prior to the corresponding Dividend Payment Date, then each holder of Series B Preferred Shares at the close of

business on such Dividend Payment Record Date shall be entitled to the dividend payable on such Series B Preferred Shares on the corresponding dividend payment date notwithstanding the redemption of such Series B Preferred Shares before such Dividend Payment Date. Except as provided above, the Trust shall make no payment or allowance for unpaid dividends, whether or not in arrears, on Series B Preferred Shares called for redemption.

(d) If full cumulative dividends on the Series B Preferred Shares and any other series or class or classes of Parity Shares of the Trust have not been paid or declared and set apart for payment, except as otherwise permitted under Article VI of the Declaration, the Series B Preferred Shares may not be redeemed in part and the Trust may not purchase, redeem or otherwise acquire Series B Preferred Shares or any Parity Shares other than in exchange for Junior Shares.

(e) Notice having been published and mailed as aforesaid, from and after the Redemption Date (unless the Trust shall fail to make available the amount of cash necessary to effect such redemption), (i) except as otherwise provided herein, dividends on the Series B Preferred Shares so called for redemption shall cease to accrue, (ii) said shares shall no longer be deemed to be outstanding, and (iii) all rights of the holders thereof as holders of Series B Preferred Shares of the Trust shall cease (except the rights to receive the cash payable upon such redemption, without interest thereon, upon surrender and endorsement of their certificates if so required and to receive any dividends payable thereon). The Trust's obligation to provide cash in accordance with the preceding sentence shall be deemed fulfilled if, on or before the Redemption Date, the Trust shall deposit with a bank or trust company (which may be an affiliate of the Trust) that has an office in the Borough of Manhattan, City of New York, or in Baltimore, Maryland and that has, or is an affiliate of a bank or trust company that has, a capital and surplus

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of at least \$50,000,000, the cash necessary for such redemption, in trust, with irrevocable instructions that such cash be applied to the redemption of the Series B Preferred Shares so called for redemption. No interest shall accrue for the benefit of the holder of Series B Preferred Shares to be redeemed on any cash so set aside by the Trust. Subject to applicable escheat laws, any such cash unclaimed at the end of two years from the Redemption Date shall revert to the general funds of the Trust, after which reversion the holders of such shares so called for redemption shall look only to the general funds of the Trust for the payment of such cash.

As promptly as practicable after the surrender in accordance with said notice of the certificates for any such Series B Preferred Shares so redeemed (properly endorsed or assigned for transfer, if the Trust shall so require and if the notice shall so state), such Series B Preferred Shares shall be exchanged for the cash (without interest thereon) for which such Series B Preferred Shares have been redeemed. If fewer than all of the outstanding Series B Preferred Shares are to be redeemed, the Series B Preferred Shares to be redeemed shall be selected by the Trust from the outstanding Series B Preferred Shares not previously called for redemption by lot or pro rata (as nearly as may be) or by any other method determined by the Trust in its sole discretion to be equitable. If fewer than all the Series B Preferred Shares represented by any certificate are redeemed, then new certificates representing the unredeemed Series B Preferred Shares shall be issued without cost to the holder thereof.

SECTION 6. REACQUIRED SHARES TO BE RETIRED. All Series B Preferred Shares which shall have been issued and reacquired in any manner by the Trust shall be restored to the status of authorized but unissued shares of Preferred Stock, without designation as to series.

SECTION 7. NO RIGHT OF CONVERSION. The Series B Preferred Shares are not convertible into or exchangeable for any other property or securities of the Trust at the option of any holder of Series B Preferred Shares.

SECTION 8. PERMISSIBLE DISTRIBUTIONS. In determining whether a distribution (other than upon liquidation, dissolution or winding up), whether by dividend, or upon redemption or other acquisition of shares or otherwise, is permitted under Maryland law, amounts that would be needed, if the Trust were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of holders of shares of any class or series of beneficial interest whose preferential rights upon dissolution are superior or prior to those receiving the distribution shall not be added to the Trust's total

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liabilities.

SECTION 9. RANKING. Any class or series of shares of beneficial interest of the Trust shall be deemed to rank:

(a) prior to the Series B Preferred Shares, as to the payment of dividends and as to distribution of assets upon liquidation, dissolution or winding up, if the holders of such class or series shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of

Series B Preferred Shares;

(b) on a parity with the Series B Preferred Shares, as to the payment of dividends and as to the distribution of assets upon liquidation, dissolution or winding up, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share thereof be different from those of the Series B Preferred Shares, if the holders of such class of stock or series and the Series B Preferred Shares shall be entitled to the receipt of dividends and of amounts distributable upon liquidation, dissolution or winding up in proportion to their respective amounts of accrued and unpaid dividends per share or liquidation preferences, without preference or priority one over the other ("Parity Shares"); and

(c) junior to the Series B Preferred Shares, as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up, if such stock or series shall be Common Shares or if the holders of Series B Preferred Shares shall be entitled to receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of shares of such stock or series, and such stock or series shall not in either case rank prior to the Series B Preferred Shares.

SECTION 10. VOTING. Except as otherwise set forth herein, the Series B Preferred Shares shall not have any relative, participating, optional or other voting rights or powers, and the consent of the holders thereof shall not be required for the taking of any corporate action.

If and whenever six quarterly dividends (whether or not consecutive) payable on the Series B Preferred Shares or any series or class of Parity Shares shall be in arrears (which shall, with respect to any such quarterly dividend, mean that any such dividend has not been paid in full),

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whether or not earned or declared, the number of trustees then constituting the Board of Trustees shall be increased by two and the holders of Series B Preferred Shares, together with the holders of shares of every other series or class of Parity Shares having like voting rights (shares of any such other series, the "Voting Preferred Shares"), voting as a single class regardless of series, shall be entitled to elect the two additional trustees to serve on the Board of Trustees at any annual meeting of shareholders or special meeting held in place thereof, or at a special meeting of the holders of Series B Preferred Shares and the Voting Preferred Shares called as hereinafter provided. Whenever all arrears in dividends on the Series B Preferred Shares and the Voting Preferred Shares then outstanding shall have been paid and full dividends thereon for the current quarterly dividend period shall have been paid or declared and set apart for payment, then the right of the holders of the Series B Preferred Shares and the Voting Preferred Shares to elect such additional two trustees shall cease (but subject always to the same provision for the vesting of such voting rights in the case of any similar future arrearages in six quarterly dividends), and the terms of office of all persons elected as trustees by the holders of the Series B Preferred Shares and the Voting Preferred Shares shall forthwith terminate and the number of trustees constituting the Board of Trustees shall be reduced accordingly. At any time after such voting power shall have been so vested in the holders of shares of Series B Preferred Shares and the Voting Preferred Shares, the Secretary of the Trust may, and upon the written request of any holder of Series B Preferred Shares (addressed to the Secretary at the principal office of the Trust) shall, call a special meeting of the holders of the Series B Preferred Shares and of the Voting Preferred Shares for the election of the two trustees to be elected by them as herein provided, such call to be made by notice similar to that provided in the Bylaws of the Trust for a special meeting of the shareholders or as required by law. If any such special meeting required to be called as above provided shall not be called by the Secretary within 20 days after receipt of such request, then any holder of Series B Preferred Shares may call such meeting, upon the notice above provided, and for that purpose shall have access to the share books of the Trust. The trustees elected at any such special meeting shall hold office until the next annual meeting of the shareholders or special meeting held in lieu thereof if such office shall not have previously terminated as above provided. If any vacancy shall occur among the trustees elected by the holders of the Series B Preferred Shares and the Voting Preferred Shares, a successor shall be elected by

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the Board of Trustees, upon the nomination of the then-remaining trustee elected by the holders of the Series B Preferred Shares and the Voting Preferred Shares or the successor of such remaining trustee, to serve until the next annual meeting of the shareholders or special meeting held in place thereof if such office shall not have previously terminated as provided above.

So long as any Series B Preferred Shares are outstanding, in addition to any other vote or consent of shareholders required by the Declaration, the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the holders of Series B Preferred Shares and the Voting Preferred Shares, at the time outstanding, voting as a single class regardless of series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or

validating:

(a) Any amendment, alteration or repeal of any of the provisions of the Declaration or these Articles Supplementary that materially adversely affects the voting powers, rights or preferences of the holders of the Series B Preferred Shares or the Voting Preferred Shares; provided, however, that (i) the amendment of the provisions of the Declaration so as to authorize or create or to increase the authorized amount of, any Junior Shares or any shares of any class or series ranking on a parity with the Series B Preferred Shares or the Voting Preferred Shares shall not be deemed to materially adversely affect the voting powers, rights or preferences of the holders of Series B Preferred Shares and (ii) any filing with the State Department of Assessments and Taxation of Maryland by the Trust in connection with a merger, consolidation or sale of all or substantially all of the assets of the Trust shall not be deemed to be an amendment, alteration or repeal of any of the provisions of the Declaration or these Articles Supplementary; and provided further, that if any such amendment, alteration or repeal would materially adversely affect any voting powers, rights or preferences of the Series B Preferred Shares or one or more but not all series of Voting Preferred Shares at the time outstanding, the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the holders of all series similarly affected, at the time outstanding, voting as a single class regardless of series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be required in lieu of the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the holders of the Series B Preferred Shares and the Voting Preferred

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Shares otherwise entitled to vote in accordance herewith; or

(b) The authorization or creation of, or the increase in the authorized amount of, any shares of any class or series or any security convertible into shares of any class or series ranking prior to the Series B Preferred Shares in the distribution of assets on any liquidation, dissolution or winding up of the Trust or in the payment of dividends;

provided, however, that, in the case of each of subparagraphs (a) and (b), no such vote of the holders of Series B Preferred Shares or Voting Preferred Shares, as the case may be, shall be required if, at or prior to the time when such amendment, alteration or repeal is to take effect, or when the issuance of any such prior shares or convertible security is to be made, as the case may be, provision is made for the redemption of all Series B Preferred Shares or Voting Preferred Shares, as the case may be, at the time outstanding in accordance with Section 5 hereof.

For purposes of the foregoing provisions of this Section 10, each Series B Preferred Share shall have one (1) vote per share, except that when any other series of Preferred Stock shall have the right to vote with the Series B Preferred Shares as a single class on any matter, then the Series B Preferred Shares and such other series shall have with respect to such matters one (1) vote per \$50.00 of stated liquidation preference.

SECTION 11. RECORD HOLDERS. The Trust and the Transfer Agent may deem and treat the record holder of any Series B Preferred Shares as the true and lawful owner thereof for all purposes, and neither the Trust nor the Transfer Agent shall be affected by any notice to the contrary.

SECTION 12. RESTRICTIONS ON OWNERSHIP AND TRANSFER. The Series B Preferred Shares constitute Preferred Stock, and Preferred Stock constitutes Equity Stock of the Trust. Therefore, the Series B Preferred Shares, being Equity Stock, are governed by and issued subject to all the limitations, terms and conditions of the Declaration applicable to Equity Stock generally, including but not limited to the terms and conditions (including exceptions and exemptions) of Article VI of the Declaration applicable to Equity Stock. The foregoing sentence shall not be construed to limit the applicability to the Series B Preferred Shares of any other term or provision of the

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Declaration.

SECOND: The Shares have been classified and designated by the Board of Trustees under the authority contained in the Declaration.

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

FOURTH: Each of the undersigned acknowledges these Articles Supplementary to be the trust act of the Trust and, as to all matters or facts required to be verified under oath, the undersigned acknowledges that to the

best of his or her knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

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IN WITNESS WHEREOF, the Trust has caused these Articles Supplementary to be executed under seal in its name and on its behalf by its Vice President and Chief Financial Officer and attested to by one of its Assistant Secretaries on this 15th day of March, 1999.

VORNADO REALTY TRUST

By: /s/ Irwin Goldberg

Name: Irwin Goldberg
Title: Vice President -
Chief Financial Officer

[Seal]

ATTEST:

/s/ David Frank

Name: David Frank
Title: Assistant Secretary

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Section 6: EX-99.1 (PRESS RELEASE)

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Exhibit 99.1

CONTACT: JOSEPH MACNOW
(201) 587-1000

[Vornado Realty Trust logo]
Park 80 West, Plaza II
Saddle Brook, NJ 07663

FOR IMMEDIATE RELEASE -- MARCH 4, 1999

VORNADO INCREASES INVESTMENT IN
CHARLES E. SMITH COMMERCIAL REALTY L.P. TO 34%

SADDLE BROOK, NEW JERSEY VORNADO REALTY TRUST (NYSE: VNO) announced today that it has made an additional \$242 million investment in Charles E. Smith Commercial Realty L.P. ("Smith") by contributing to Smith the land under certain Smith office properties in Crystal City, Arlington, Virginia and partnership interests in certain Smith subsidiaries. Vornado acquired these assets from Commonwealth Atlantic Properties, Inc. ("CAPI"), an affiliate of Lazard Freres Real Estate Investors L.L.C., immediately prior to the contribution to Smith. Together with Vornado's investment in Smith made in 1997 and the units it is reacquiring today from Vornado Operating Company, Vornado now owns approximately 34% of Smith's limited partnership units. In addition, Vornado acquired from CAPI for \$8 million the land under a Marriott Hotel located in Crystal City.

The purchase price was paid to CAPI by Vornado issuing \$250 million of 6% Convertible Preferred Units of Vornado's operating partnership. The Preferred Units are convertible at \$44 per unit and the coupon increases to 6.50% over the next three years and then fixes at 6.75% in year eight. Vornado will appoint one of three members to the Smith Board of Managers, increasing under certain circumstances to two of four members in March 2002.

In connection with these transactions, Vornado agreed to make a five-year \$41 million loan to CAPI with interest at 8%, increasing to 9% ratably over the term. The loan will be secured by approximately \$55 million of the Vornado units issued to CAPI as well as certain real estate assets.

Smith owns interests in a total of 10.7 million square feet of office properties in Northern Virginia and Washington, D.C., and manages an additional 14.6 million square feet of office and other commercial properties in the

Washington, D.C. area.

Vornado Realty Trust is a fully-integrated equity real estate investment trust.

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Certain statements contained herein may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, risks associated with the timing of and costs associated with property improvements, financing commitments and general competitive factors.

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