

# RNY Property Trust



For the Period Ended 30 June 2014  
Supplemental Operating and Financial Data

8 August 2014

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Level 56, MLC Centre | 19 Martin Place | Sydney NSW 2000 | Australia  
Phone: 02 9293 2911 Fax: 02 9293 2912  
[www.rnypt.com.au](http://www.rnypt.com.au)

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## Table of Contents

	<u>Page(s)</u>
Corporate Information .....	2 - 3
Financial Highlights	
• Debt Summary.....	4
Portfolio Performance	
• Same Property Performance .....	5
• Occupancy Analysis .....	6
• Leasing Statistics.....	7 - 8
• Lease Expiration Schedules.....	9 -11
• Top Tenants and Tenant Diversification.....	12
• Capital Expenditures Analysis .....	13 -14

*Certain statements herein relate to the Trust's future performance ("forward looking statements"). Although RNY Australia Management Limited believes such statements are based on reasonable assumptions, forward-looking statements are not guarantees of results and no assurance can be given that the expected results will be delivered. Such forward-looking statements are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those expected. Among those risks, trends and uncertainties are the general economic climate, including the conditions affecting industries in which principal tenants compete; financial condition of tenants; changes in the supply of and demand for office properties in the New York Tri-State area; changes in interest rate levels and changes in credit ratings and changes in the cost of and access to capital.*

## Corporate Information

### Corporate Profile

RNY Property Trust (the “Trust” or “RNY”) (ASX: RNY) is the first Australian listed property trust with the primary strategy of investing in well-located office properties within the New York Tri-State area of the United States. The listing of the Trust followed the successful Initial Public Offer (IPO) in September 2005 which raised A\$263.4 million. The fully paid issue price was A\$1.00 per unit, payable in two installments: an initial payment of A\$0.65 per unit and a final installment of A\$0.35 per unit, which was paid in October 2006.

Proceeds from the IPO were used to acquire a 75 per cent indirect interest in a portfolio of 25 suburban office properties, from Reckson Associates Realty Corp. (“Reckson”), for approximately US\$422 million (approximately A\$550 million). Reckson retained a 25 per cent indirect interest in these properties. On 25 January 2007, Reckson was merged into SL Green Realty Corp., at which time an affiliate of RXR Realty LLC (“RXR”) acquired Reckson’s interest in the portfolio.

RXR is a private enterprise founded by former members of Reckson management. RXR is a vertically integrated private real estate company with expertise in investment management, property management, development, design, construction, leasing, financing and asset management. RXR Realty is one of the largest owners, managers, and developers in the Tri-State Area with assets under management of approximately \$7.4 billion, comprised of 88 investments containing approximately 17.9 million square feet.

The RNY properties were acquired in three separate tranches. The first tranche, consisting of 17 properties, was completed in September of 2005. Three additional properties were acquired in the second tranche, completed in January of 2006. On 23 June 2006, one of the properties acquired in the first tranche was sold. The final five properties were acquired in October 2006, in conjunction with the final installment on the Units.

On 26 June 2007, RNY acquired a 121,000 square foot building located at 1155 Railroad Avenue, Bridgeport, Connecticut for US\$3.4 million. The property was sold to a user in August 2012 for a gross sales price of US\$1.5 million, with RNY providing purchase money financing (the “PM Note”) of US\$1.125 million. Monthly payments of principal and interest are due on the PM Note, which is secured by the building and which matures on 1 September 2016.

On 3 July 2013, RNY completed a restructuring of a US\$51.5 million CMBS loan (the “CMBS Loan”) which matured in October 2010. Such CMBS Loan consisted of a US\$31.5 million A-note (the “A-note”) and a US\$20 million B-note (the “B-note”), and was collateralized by three properties (the “Properties”) valued at US\$37.4 million at 31 December 2013.

As part of such restructuring, ownership of the Properties was transferred to a newly-formed joint-venture (the “JV”) with the owner of the B-note. The B-note owner contributed its US\$20 million B-note and cash to the JV in return for an approximate 92.2% ownership interest in such JV. RNY contributed US\$500,000 to the JV in exchange for an approximate 7.8% ownership interest in such JV. As a result, the JV owns the Properties, which remain encumbered by the A-note. The former B-note owner will act as the managing member of such JV, while the RNY will continue to operate the Properties.

RNY is managed by RNY Australia Management Limited (“RAML”), an Australian licensed responsible entity which is an affiliate of RXR. Other affiliates of RXR serve as property manager, leasing agent, asset manager, and construction manager and provide other services to the properties in the Trust portfolio.

**Corporate Headquarters**

19 Martin Place  
MLC Centre  
Level 56  
Sydney, NSW 2000, Australia  
Telephone: 02 9293 2910  
Fax: 02 9293 2912  
Website: [www.rnypt.com.au](http://www.rnypt.com.au)

**RXR Realty Headquarters**

625 RXR Plaza  
Uniondale, NY 11556  
Telephone: 516-506-6000  
Fax: 516-506-6800  
Website: [www.rxrrealty.com](http://www.rxrrealty.com)

**Executive Officers**

Scott Rechler	Chairman and Chief Executive Officer
Michael Maturo	President and Chief Financial Officer
Jason Barnett	Senior Executive Vice President and General Counsel

**Fund Manager/Investor Relations**

Francis Sheehan (Sydney)	Michael McMahon (New York)
Telephone: 02 9293 2910	Telephone: 516-506-6723
Fax: 02 9293 2912	Fax: 516-506-6811
e-mail: <a href="mailto:fsheehan@rxrrealty.com">fsheehan@rxrrealty.com</a>	e-mail: <a href="mailto:mmcmahon@rxrrealty.com">mmcmahon@rxrrealty.com</a>

**Reporting Schedule**

Half Year Results	Early August
Full Year Results	Late February

**Debt Summary at 30 June 2014***(US Dollars in thousands)***Debt Maturity and Repayment Schedule**

Year	Scheduled Debt Repayments
2014	\$1,527
2015	3,157
2016	75,294
2017	187,647
<b>Total Debt</b>	<b>\$267,625</b>

**Mortgage Detail**

Property	Outstanding	Interest Rate	Maturity Date	Amortization Term (Years)
200 Broadhollow Road, Melville, NY	7,710	5.32%	January, 2016	interest only
55 Charles Lindbergh Blvd., Uniondale, NY	13,260	5.32%	January, 2016	interest only
10 Rooney Circle, West Orange, NJ	7,500	5.32%	January, 2016	interest only
555 White Plains Road, Tarrytown, NY	10,520	5.32%	January, 2016	interest only
560 White Plains Road, Tarrytown, NY	10,030	5.32%	January, 2016	interest only
6800 Jericho Turnpike, Syosset, NY	15,550	5.32%	January, 2016	interest only
6900 Jericho Turnpike, Syosset, NY	7,430	5.32%	January, 2016	interest only
300 Executive Drive, West Orange, NJ	7,443	4.25%	January, 2017	25
505 White Plains Road, Tarrytown, NY	765	4.25%	January, 2017	25
580 White Plains Road, Tarrytown, NY	7,814	4.25%	January, 2017	25
300 Motor Parkway, Hauppauge, NY	2,823	4.25%	January, 2017	25
710 Bridgeport Avenue, Shelton, CT	21,486	4.25%	January, 2017	25
35 Pinelawn Road, Melville, NY	9,315	5.28%	May, 2017	30
150 Motor Parkway, Hauppauge, NY	15,960	5.28%	May, 2017	30
660 White Plains Road, Tarrytown, NY	19,251	5.28%	May, 2017	30
100 Executive Drive, West Orange, NJ	5,775	5.28%	May, 2017	30
100 Grasslands Road, Elmsford, NY	5,775	5.28%	May, 2017	30
80 Grasslands Road, Elmsford, NY	8,818	5.28%	May, 2017	30
200 Executive Drive, West Orange, NJ	6,086	5.28%	May, 2017	30
492 River Road, Nutley, NJ	23,474	5.28%	May, 2017	30
225 Highridge Road, Stamford, CT	24,840	5.28%	May, 2017	30
35 Pinelawn Road, Melville, NY	2,811	13.00%	May, 2017	interest only
150 Motor Parkway, Hauppauge, NY	4,816	13.00%	May, 2017	interest only
660 White Plains Road, Tarrytown, NY	5,809	13.00%	May, 2017	interest only
100 Executive Drive, West Orange, NJ	1,743	13.00%	May, 2017	interest only
100 Grasslands Road, Elmsford, NY	1,743	13.00%	May, 2017	interest only
80 Grasslands Road, Elmsford, NY	2,661	13.00%	May, 2017	interest only
200 Executive Drive, West Orange, NJ	1,837	13.00%	May, 2017	interest only
492 River Road, Nutley, NJ	7,084	13.00%	May, 2017	interest only
225 Highridge Road, Stamford, CT	7,496	13.00%	May, 2017	interest only
<b>Total/Weighted Average</b>	<b>\$267,625</b>	<b>6.18%</b>	<b>2.4 years</b>	

**BRE/Melville Joint-Venture Mortgage Detail**

Property	Outstanding	Interest Rate	Maturity Date	Amortization Term (Years)
520 Broadhollow Road, Melville, NY <sup>(1)</sup>	6,311	5.20%	October, 2014 <sup>(2)</sup>	interest only
1660 Walt Whitman Road, Melville, NY <sup>(1)</sup>	6,054	5.20%	October, 2014 <sup>(2)</sup>	interest only
50 Marcus Drive, Melville, NY <sup>(1)</sup>	15,036	5.20%	October, 2014 <sup>(2)</sup>	interest only
<b>Total</b>	<b>\$27,401</b>	<b>5.20%</b>	<b>0.3 years</b>	

(1) The US LLC has an approximate 7.8% ownership interest in the property

(2) The maturity date can be extended for two years pending certain reserve requirements

**Same Property Performance <sup>(1)</sup>**

For the 6 month period ended 30 June 2014 vs. 30 June 2013

(In thousands)

**Regional Breakdown**

<b>Cash Revenue <sup>(2)</sup></b>				
	<b>1H 14</b>	<b>1H 13</b>	<b>\$ Change</b>	<b>% Change</b>
Connecticut	\$5,626	\$5,662	(\$36)	(0.6%)
Long Island	10,166	10,448	(282) <sup>(3)</sup>	(2.7%)
New Jersey	5,162	5,120	42	0.8%
Westchester	9,646	8,728	918 <sup>(4)</sup>	10.5%
<b>Total</b>	<b>\$30,600</b>	<b>\$29,958</b>	<b>\$642</b>	<b>2.1%</b>

<b>Cash Operating Expenses <sup>(5)</sup></b>				
	<b>1H 14</b>	<b>1H 13</b>	<b>\$ Change</b>	<b>% Change</b>
Connecticut	\$1,665	\$1,552	\$113 <sup>(6)</sup>	7.3%
Long Island	3,066	2,852	214 <sup>(7)</sup>	7.5%
New Jersey	1,461	1,251	210 <sup>(8)</sup>	16.8%
Westchester	3,266	2,900	366 <sup>(6)</sup>	12.6%
<b>Total</b>	<b>\$9,458</b>	<b>\$8,555</b>	<b>\$903</b>	<b>10.6%</b>

<b>Real Estate Taxes</b>				
	<b>1H 14</b>	<b>1H 13</b>	<b>\$ Change</b>	<b>% Change</b>
Connecticut	\$664	\$757	(\$93)	(12.2%)
Long Island	2,288	2,270	18	0.8%
New Jersey	1,124	1,177	(53)	(4.5%)
Westchester	1,748	1,729	19	1.1%
<b>Total</b>	<b>\$5,824</b>	<b>\$5,933</b>	<b>(\$109)</b>	<b>(1.8%)</b>

<b>Cash NOI</b>				
	<b>1H 14</b>	<b>1H 13</b>	<b>\$ Change</b>	<b>% Change</b>
Connecticut	\$3,297	\$3,354	(\$57)	(1.7%)
Long Island	4,812	5,325	(513)	(9.6%)
New Jersey	2,577	2,692	(115)	(4.3%)
Westchester	4,632	4,099	533	13.0%
<b>Total</b>	<b>\$15,318</b>	<b>\$15,470</b>	<b>(\$152)</b>	<b>(1.0%)</b>

(1) Excludes BRE/Meville Assets

(2) Includes contract rent, recovery income, and reserves. Excludes lease termination fees and other operating receipts.

(3) Primarily related to the early termination of 15K SF at 300 Motor Parkway, the downsizing of 11K at 55 Charles Lindbergh Blvd, and the early termination, expiration and downsizing of 8K SF at 6800 Jericho Turnpike.

(4) Primarily related to the burn off of free rent at 660 White Plains Road, 580 White Plains Road, and 555 White Plains Road.

(5) Excludes management fees, marketing expense, and property level G&amp;A.

(6) Primarily related to higher transportation and fixed commodity contract rates for electric these regions.

(7) Primarily related to extremely cold winter conditions; electric, heating and gas and snow removal additional was higher across the Long Island region.

(8) Primarily related to an increase in electric consumption through out New Jersey due to harsh winter conditions, and damages caused by a sewer pump failure at 300 Executive Drive.

## Occupancy Analysis

As of 30 June 2014

	# of Bldgs	Rentable Square Feet <sup>(1)</sup>	Occupancy As of 30/06/14	Occupancy As of 31/12/13	Occupancy As of 30/06/13	Rentable Sq. Ft. as a % of Portfolio	NOI as a % of Portfolio <sup>(2)</sup>
<b>Long Island</b>							
<b>Eastern Nassau</b>							
6800 Jericho Turnpike		209,536	83.4%	83.7%	84.8%	7.0%	5.5%
6900 Jericho Turnpike		95,343	81.0%	86.6%	86.6%	3.2%	3.4%
<b>Total Eastern Nassau</b>	<b>2</b>	<b>304,879</b>	<b>82.6%</b>	<b>84.6%</b>	<b>85.4%</b>	<b>10.2%</b>	<b>8.9%</b>
<b>Central Nassau</b>							
55 Charles Lindbergh Boulevard		214,581	94.6%	94.6%	100.0%	7.2%	8.6%
<b>Total Central Nassau</b>	<b>1</b>	<b>214,581</b>	<b>94.6%</b>	<b>94.6%</b>	<b>100.0%</b>	<b>7.2%</b>	<b>8.6%</b>
<b>Central Suffolk</b>							
150 Vanderbilt Motor Parkway		184,228	74.6%	74.6%	74.9%	6.2%	6.0%
300 Vanderbilt Motor Parkway		59,383	53.7%	53.7%	79.0%	2.0%	0.7%
<b>Total Central Suffolk</b>	<b>2</b>	<b>243,611</b>	<b>69.5%</b>	<b>69.5%</b>	<b>75.9%</b>	<b>8.2%</b>	<b>6.7%</b>
<b>Western Suffolk</b>							
35 Pinelawn Road		110,827	82.5%	75.9%	69.1%	3.7%	2.9%
200 Broadhollow Road		68,616	84.3%	84.3%	84.3%	2.3%	2.9%
<b>Total Western Suffolk</b>	<b>2</b>	<b>179,443</b>	<b>83.2%</b>	<b>79.1%</b>	<b>74.9%</b>	<b>6.0%</b>	<b>5.7%</b>
<b>Total Long Island</b>	<b>7</b>	<b>942,514</b>	<b>82.1%</b>	<b>81.9%</b>	<b>84.3%</b>	<b>31.6%</b>	<b>30.0%</b>
<b>New Jersey</b>							
<b>Rt. 23/GSP Corridor</b>							
492 River Road		130,009	100.0%	100.0%	100.0%	4.4%	9.3%
<b>Total Rt. 23/GSP Corridor</b>	<b>1</b>	<b>130,009</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4.4%</b>	<b>9.3%</b>
<b>Rt. 280 Corridor</b>							
100 Executive Drive		93,011	26.1%	69.6%	72.7%	3.1%	1.8%
200 Executive Drive		106,327	52.4%	52.4%	52.4%	3.6%	1.1%
300 Executive Drive		125,440	73.3%	73.3%	73.3%	4.2%	3.8%
10 Rooney Circle		70,873	41.4%	41.4%	41.4%	2.4%	1.4%
<b>Total Rt. 280 Corridor</b>	<b>4</b>	<b>395,651</b>	<b>50.9%</b>	<b>61.1%</b>	<b>61.8%</b>	<b>13.3%</b>	<b>8.1%</b>
<b>Total New Jersey</b>	<b>5</b>	<b>525,660</b>	<b>63.0%</b>	<b>70.7%</b>	<b>71.3%</b>	<b>17.6%</b>	<b>17.4%</b>
<b>Westchester</b>							
<b>Tarrytown</b>							
505 White Plains Road		26,610	71.1%	73.7%	70.8%	0.9%	0.2%
555 White Plains Road		125,497	100.0%	100.0%	100.0%	4.2%	6.7%
560 White Plains Road		126,144	66.8%	68.8%	69.7%	4.2%	1.6%
580 White Plains Road		171,369	80.2%	79.6%	82.1%	5.7%	5.3%
660 White Plains Road		254,268	88.3%	90.4%	92.7%	8.5%	9.8%
<b>Total Tarrytown</b>	<b>5</b>	<b>703,888</b>	<b>83.9%</b>	<b>85.0%</b>	<b>86.5%</b>	<b>23.6%</b>	<b>23.4%</b>
<b>Elmsford</b>							
80 Grasslands Road		87,055	100.0%	100.0%	100.0%	2.9%	3.9%
100 Grasslands Road		47,720	100.0%	100.0%	100.0%	1.6%	2.8%
<b>Total Standalone</b>	<b>2</b>	<b>134,775</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4.5%</b>	<b>6.7%</b>
<b>Total Westchester</b>	<b>7</b>	<b>838,663</b>	<b>86.5%</b>	<b>87.4%</b>	<b>88.6%</b>	<b>28.1%</b>	<b>30.1%</b>
<b>Connecticut</b>							
<b>Stamford</b>							
225 Highridge Road		223,940	80.9%	86.9%	85.0%	7.5%	13.9%
710 Bridgeport Avenue		452,414	73.9%	75.4%	75.4%	15.2%	8.6%
<b>Total Connecticut</b>	<b>2</b>	<b>676,354</b>	<b>76.2%</b>	<b>79.2%</b>	<b>78.6%</b>	<b>22.7%</b>	<b>22.5%</b>
<b>TOTAL PORTFOLIO</b>	<b>21</b>	<b>2,983,191</b>	<b>78.6%</b>	<b>80.9%</b>	<b>81.9%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>BRE/Melville</b>							
50 Marcus Drive		163,762	0.0%	100.0%	100.0%	49.5%	99.2%
1660 Walt Whitman Road		78,379	22.1%	35.5%	35.5%	23.7%	3.9%
520 Broadhollow Road		88,631	22.6%	22.6%	22.6%	26.8%	(3.2%)
<b>Total BRE/Melville</b>	<b>3</b>	<b>330,772</b>	<b>11.3%</b>	<b>64.0%</b>	<b>64.0%</b>	<b>100.0%</b>	<b>100.0%</b>

(1) Rentable square feet excludes amenity and storage space.

(2) NOI as a % of Portfolio represents the time period from 1 July 2013 through 30 June 2014.

## Lease Activity <sup>(1)</sup>

For the 6 Months Ending 30 June 2014

	Period Expirations				Leasing Activity									
	Short Term				Renewal				Early Renewal		Expansions		Total Portfolio	
	Non-Renewals		Leases/ Holdovers		New Leases		at Expiration							
	#	SF	#	SF	#	SF	#	SF	#	SF	#	SF	#	SF
Office Properties														
Long Island	2	3,343	6	24,128	6	16,257	4	9,527	-	-	-	-	10	25,784
New Jersey	5	42,504	-	-	-	-	-	-	-	-	-	-	-	-
Connecticut	1	6,560	-	-	-	-	2	88,637	1	3,305	1	2,008	4	93,950
Westchester	2	4,957	1	1,552	2	3,224	2	6,952	1	42,616	1	15,470	6	68,262
Total NYPT Portfolio	10	57,364	7	25,680	8	19,481	8	105,116	2	45,921	2	17,478	20	187,996
BRE/Melville	1	10,488	-	-	-	-	-	-	-	-	-	-	-	-

## OUTSTANDING SHORT TERM LEASES / HOLDOVERS

	#	SF
Long Island Office	6	24,128
Westchester Office	1	1,552
<b>Total Office</b>	<b>7</b>	<b>25,680</b>

## EARLY TERMINATIONS FOR CURRENT PERIOD

	#	Terminated SF	Released SF	Vacant SF
Long Island Office	4	10,540	1,737	8,803
Connecticut Office	1	15,451	0	15,451
Westchester Office	2	4,761	0	4,761
<b>Total Office</b>	<b>7</b>	<b>30,752</b>	<b>1,737</b>	<b>29,015</b>

(1) BRE/Melville shown separately.

### Definitions:

**Early Termination:** When a tenant vacates their space before contract lease end date. If tenant terminates part of their space, only the portion that has terminated is reflected.

**Short Term Leases/Holdover:** Any lease agreement less than 12 months.

**Renewal:** When an existing tenant renews space for 12 months or Longer.

**Early Renewal:** When an existing tenant renews their space 12 months prior to expiration and is renewing for 12 months or longer.

**Expansion:** When an existing tenant takes additional space, renews and takes additional space and early renews and takes additional space. Only the additional space is reflected.

**Relocations:** When a tenant "early terminates" to move to another space/building.

If the tenant relocates for less space and extends term for 12 months or longer, the amount of contraction is reflected in Early Terminations and the renewal space is reflected in Renewal.

If the tenant relocates for additional space, whether or not term length is extended, the additional space only is reflected in Expansion.



## Leasing Statistics

For the 6 months ended 30 June 2014

### Executed Leases <sup>(1)</sup>

	# of Transactions	Total Sq. Ft.	Average Base Rent	Average Term (Years)
<i>Office Properties</i>				
Long Island	10	25,784	\$23.88	5.7
Westchester	6	68,262	\$23.35	3.4
Connecticut	2	5,313	\$32.59	5.6
Total/Weighted Average	18	99,359	\$23.98	4.1
<i>Flex Properties</i>				
Connecticut	2	88,637	\$4.76	4.9
Total/Weighted Average	2	88,637	\$4.76	4.9
<b>Total/Weighted Average</b>	<b>20</b>	<b>187,996</b>	<b>\$14.92</b>	<b>4.5</b>

### Same Space Statistics <sup>(2)</sup>

	Total Sq. Ft.	Average Rent			Base Rent		
		Expiring Rent	New Rent <sup>(3)</sup>	% Change	Expiring Rent <sup>(4)</sup>	New Rent <sup>(3)(4)</sup>	% Change
<i>Long Island</i>							
New	9,145	\$20.28	\$21.25	4.8%	\$22.28	\$21.97	(1.4%)
Renewal	5,065	\$24.28	\$22.84	(5.9%)	\$27.39	\$22.50	(17.9%)
Total/Weighted Average	14,210	\$21.71	\$21.82	0.5%	\$24.10	\$22.16	(8.1%)
<i>Connecticut</i>							
New	2,008	\$31.73	\$29.27	(7.8%)	\$31.73	\$28.50	(10.2%)
Renewal	3,305	\$25.62	\$29.27	14.2%	\$26.00	\$28.50	9.6%
Total/Weighted Average	5,313	\$27.93	\$29.27	4.8%	\$28.17	\$28.50	1.2%
<i>Westchester</i>							
New	17,349	\$22.37	\$20.71	(7.4%)	\$26.46	\$23.00	(13.1%)
Renewal	49,568	\$21.21	\$24.34	14.8%	\$24.10	\$24.19	0.4%
Total/Weighted Average	66,917	\$21.51	\$23.40	8.8%	\$24.71	\$23.88	(3.4%)
<b>Total/Weighted Average</b>	<b>86,440</b>	<b>\$21.94</b>	<b>\$23.50</b>	<b>7.1%</b>	<b>\$24.82</b>	<b>\$23.88</b>	<b>(3.8%)</b>

### Tenant Retention <sup>(5)</sup>

	Leases Expiring	Sq. Ft Expiring	Sq. Ft Renewing	Renewal Percentage
<i>Long Island</i>	6	12,870	9,527	74.0%
<i>Connecticut</i>	4	98,502	91,942	93.3%
<i>Westchester</i>	5	54,525	49,568	90.9%
<i>New Jersey</i>	5	42,504	0	0.0%
<b>Total/Weighted Average <sup>(6)</sup></b>	<b>20</b>	<b>208,401</b>	<b>151,037</b>	<b>72.5%</b>
<b>BRE/Melville</b>	<b>1</b>	<b>10,488</b>	<b>0</b>	<b>0.0%</b>

(1) Includes new and renewed leases during the period.

(2) Excludes Net/Flex leases

(3) Represents either renewed or released space.

(4) Excludes escalations.

(5) Includes early renewals and excludes early terminations.

(6) Excluding the early renewal of 2 tenants with an original expiration date in 2018, the weighted average renewal percentage would be 64.7%.

**Lease Expiration Schedule - Adjusted for Preleased Space**  
**As of 1 July 2014**

**Total Portfolio**

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft
2014	41	205,334	6.9%	6.9%
2015	48	357,466	12.0%	18.9%
2016	44	338,416	11.3%	30.2%
2017	38	203,685	6.8%	37.0%
2018	37	218,645	7.3%	44.3%
2019 and thereafter	52	1,020,265	34.2%	78.5%
Total/Weighted Average	260	2,343,811	78.5%	
Total Portfolio Square Feet		2,983,191		

**Office Portfolio**

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Office Sq Ft	Cumulative % of Total Portfolio Sq Ft
2014	41	205,334	8.3%	8.3%
2015	47	347,706	14.0%	22.3%
2016	44	338,416	13.6%	35.9%
2017	38	203,685	8.2%	44.1%
2018	36	210,476	8.5%	52.6%
2019 and thereafter	49	656,133	26.4%	79.0%
Total/Weighted Average	255	1,961,750	79.0%	
Total Office Portfolio Square Feet		2,483,057		

**Flex Portfolio**

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Flex Sq Ft	Cumulative % of Total Portfolio Sq Ft
2014	0	0	0.0%	0.0%
2015	1	9,760	2.0%	2.0%
2016	0	0	0.0%	2.0%
2017	0	0	0.0%	2.0%
2018	1	8,169	1.6%	3.6%
2019 and thereafter	3	364,132	72.8%	76.4%
Total/Weighted Average	5	382,061	76.4%	
Total Flex Portfolio Square Feet		500,134		

**Lease Expiration Schedule - Adjusted for Preleased Space**  
**As of 1 July 2014**

**Long Island Office <sup>(4)</sup>**

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft	Average Rent <sup>(1)</sup>	Current Cash Rent <sup>(2)</sup>
2014	18	61,073	6.5%	6.5%	\$29.48	\$31.59
2015	23	212,262	22.5%	29.0%	\$25.24	\$26.20
2016	12	62,400	6.6%	35.6%	\$23.30	\$25.27
2017	19	98,820	10.5%	46.1%	\$24.91	\$24.63
2018	18	88,623	9.4%	55.5%	\$24.18	\$25.41
2019 and thereafter	30	250,407	26.6%	82.1%	\$19.63	\$19.22

Total/Weighted Average 120 773,585 82.1%

Total Long Island Office Square Feet 942,514

**Westchester Office**

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft	Average Rent <sup>(1)</sup>	Current Cash Rent <sup>(2)</sup>
2014	18	125,106	15.8%	15.8%	\$26.84	\$26.69
2015	14	29,784	3.8%	19.6%	\$23.36	\$24.07
2016	24	109,301	13.8%	33.4%	\$20.79	\$22.89
2017	15	71,004	9.0%	42.4%	\$23.14	\$23.78
2018	13	97,048	12.3%	54.7%	\$23.09	\$23.83
2019 and thereafter	15	245,568	31.0%	85.7%	\$22.34	\$22.48

Total/Weighted Average 99 677,811 85.7%

Total Westchester Office Square Feet 790,943

**Connecticut Office**

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft	Average Rent <sup>(1)(3)</sup>	Current Cash Rent <sup>(2)(3)</sup>
2014	2	11,766	5.3%	5.3%	\$27.53	\$32.03
2015	2	29,453	13.2%	18.5%	\$31.85	\$32.23
2016	4	119,989	53.6%	72.1%	\$32.69	\$35.85
2017	1	8,446	3.8%	75.9%	\$29.99	\$29.00
2018	0	-	0.0%	75.9%	\$0.00	\$0.00
2019 and thereafter	2	11,409	5.1%	81.0%	\$30.18	\$28.77

Total/Weighted Average 11 181,063 81.0%

Total Connecticut Office Square Feet 223,940

Note: Tenants that have expired on 30 June 2014 are not included.

(1) Represents annualized average rent including current tax recoveries.

(2) Represents annualized current base rent including current tax recoveries.

(3) Represents annualized average and current base rent including operating recoveries.

(4) Excludes BRE/Melville

**Lease Expiration Schedule - Adjusted for Preleased Space**  
**As of 1 July 2014**

**New Jersey Office**

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft	Average Rent <sup>(1)</sup>	Current Cash Rent <sup>(2)</sup>
2014	3	7,389	1.4%	1.4%	\$20.79	\$22.39
2015	8	76,207	14.5%	15.9%	\$23.24	\$23.45
2016	4	46,726	8.9%	24.8%	\$31.84	\$31.78
2017	3	25,415	4.8%	29.6%	\$19.66	\$20.76
2018	5	24,805	4.7%	34.3%	\$21.78	\$22.22
2019 and thereafter	2	148,749	28.3%	62.6%	\$28.02	\$26.71
Total/Weighted Average	25	329,291	62.6%			
Total New Jersey Office Square Feet		525,660				

**Flex Properties**

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft	Average Rent <sup>(1)</sup>	Current Cash Rent <sup>(2)</sup>
2014	0	-	0.0%	0.0%	-	-
2015	1	9,760	2.0%	2.0%	\$6.63	\$6.63
2016	0	-	0.0%	2.0%	-	-
2017	0	-	0.0%	2.0%	-	-
2018	1	8,169	1.6%	3.6%	\$18.84	\$18.04
2019 and thereafter	3	364,132	72.8%	76.4%	\$11.56	\$10.93
Total/Weighted Average	5	382,061	76.4%			
Total Flex Square Feet		500,134				

Note: Tenants that have expired on 30 June 2014 are not included. (2,000 SF in New Jersey.)

(1) Represents annualized average rent including current tax recoveries.

(2) Represents annualized current base rent including current tax recoveries.

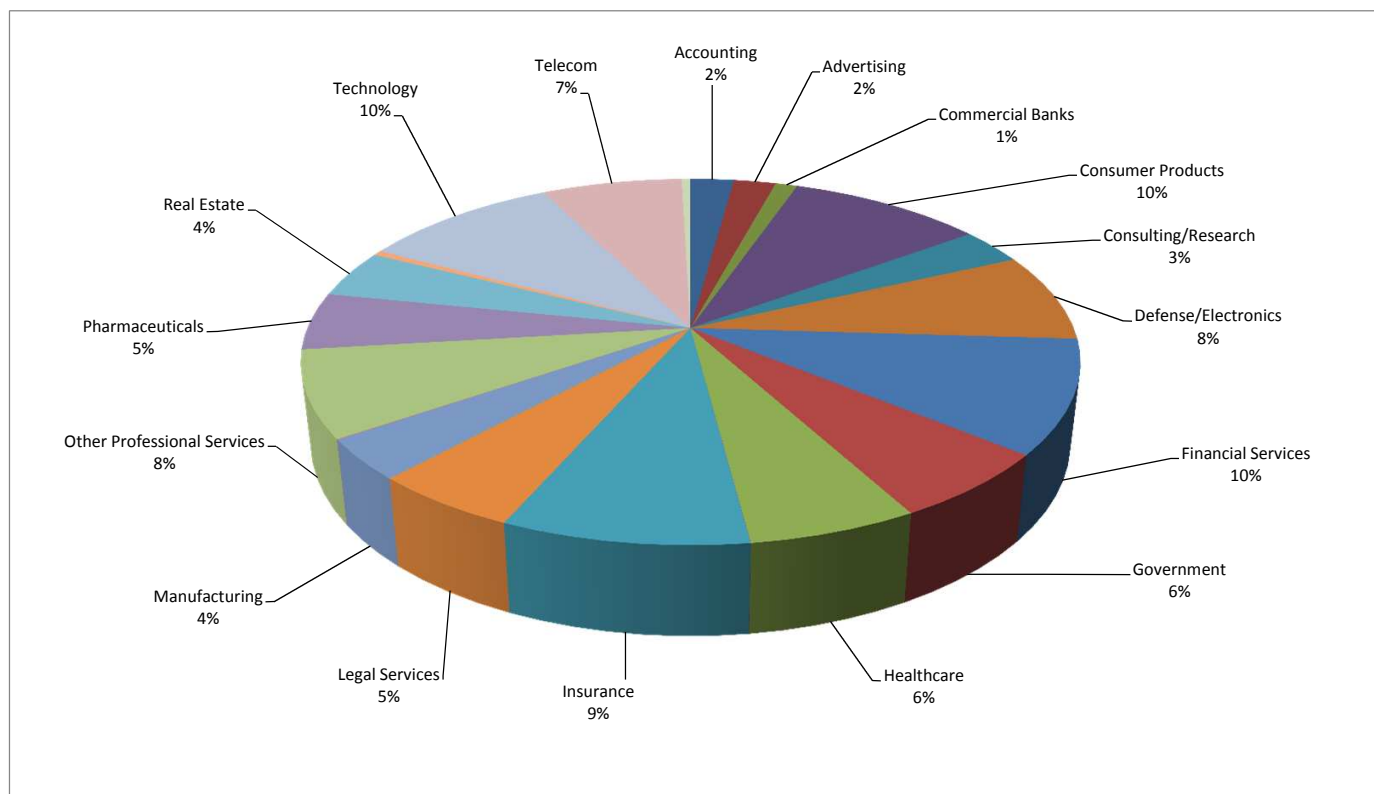
## Top 25 Tenants <sup>(1)(2)</sup>

(Based on Base Rental Revenue)

Tenant Name	Wtd. Avg. Term Remaining (Years)	Total Square Feet	Base Rental Revenue
Lockheed Martin Corp. <sup>(3)</sup>	1.2	112,000	6.1%
Radianz US	6.9	130,009	5.9%
Perkin Elmer Inc.	5.9	255,464	5.5%
Bayer Healthcare LLC	0.1	94,717	5.0%
Amscan Inc	7.5	99,791	3.9%
Synapse Group Inc	2.3	77,640	3.8%
HQ Global Workplaces	3.8	44,871	2.5%
DHS FAMS-FAA WJ Hughes	2.3	29,372	2.3%
Lincoln Educational Svcs. Corp	1.5	45,408	2.1%
Prestige Brands Inc.	6.4	42,616	1.9%
Liberty Mutual	1.9	38,987	1.9%
AC Nielsen	0.7	34,276	1.8%
Ampacet Corporation	6.8	36,474	1.7%
Bank of America	2.1	34,423	1.7%
Frequency Electronics Inc.	4.6	91,027	1.6%
North Shore Reg. Health System	6.3	27,087	1.4%
Tappan Zee Constructors, LLC	4.2	30,780	1.4%
ENT & Allergy Associates	5.5	24,735	1.2%
Philip Morris Mgmt. Co.	1.2	28,001	1.1%
Xerox Corp.	2.0	23,920	1.1%
Guardian Life Insurance Co.,	6.4	21,539	1.1%
D.L.C. Management Corp	3.2	18,747	1.0%
Ingerman Smith LLP	3.2	12,801	0.9%
Hoffman & Baron	1.8	17,298	0.9%
Allstate Insurance Company	0.2	15,470	0.9%

## Tenant Diversification <sup>(1)(2)</sup>

### Total Portfolio



(1) Ranked by 100% of annualized base rental revenue. Based on monthly rent in place as of 1 July 2014.

(2) Excludes BRE/Melville JV assets.

(3) Lockheed Martin renewed 103,500 SF for period of 2 years and 8,500 SF for 13 months effective 1 October 2013.

## Capital Expenditures

As of 30 June 2014

CAPITAL EXPENDITURES	2010 Total	2011 Total	2012 Total	2013 <sup>(1)</sup> Total	1st Half 2014
<b>Recurring - Non Incremental</b>					
Amenities (Health Club, Café, etc.)	\$655	\$0	\$0	\$0	\$0
Bathrooms	147,341 <sup>(2)</sup>	3,728	3,462	142,752 <sup>(14)</sup>	785
Corridors	54,324	14,762	0	69,800	66,707
Elevators	17,916	1,336	74,420	68,568	54,580
Exterior Renovation	152,241 <sup>(3)</sup>	29,342	339,937 <sup>(10)</sup>	203,782 <sup>(15)</sup>	42,587
Lobby	9,553	0	126	1,573	130,864 <sup>(19)</sup>
Mechanical, Electrical & Plumbing	1,277,688 <sup>(4)</sup>	615,226 <sup>(7)</sup>	953,535 <sup>(11)</sup>	1,558,475 <sup>(16)</sup>	108,975 <sup>(20)</sup>
Other	16,130	0	0	0	0
Parking Lots	253,160 <sup>(5)</sup>	342,620 <sup>(8)</sup>	131,734 <sup>(12)</sup>	578,352 <sup>(17)</sup>	7,024
Roofs	219,341 <sup>(6)</sup>	471,987 <sup>(9)</sup>	512,118 <sup>(13)</sup>	208,312 <sup>(18)</sup>	(4,559)
Security	0	0	15,649	12,620	7,958
<b>Total Recurring - Non Incremental</b>	<b>\$2,148,349</b>	<b>\$1,479,001</b>	<b>\$2,030,981</b>	<b>\$2,844,234</b>	<b>\$414,921</b>
 Amount Per Square Foot					
Connecticut	\$0.95	\$0.45	\$0.14	\$0.19	\$0.00
Long Island	\$0.31	\$0.63	\$0.50	\$0.46	\$0.22
New Jersey	\$0.42	\$0.00	\$0.68	\$0.87	\$0.04
Westchester	\$1.06	\$0.45	\$1.13	\$1.93	\$0.33
Weighted Average	<b>\$0.65</b>	<b>\$0.45</b>	<b>\$0.61</b>	<b>\$0.79</b>	<b>\$0.14</b>

(1) Excludes BRE/Melville JV assets.

(2) Primarily related to third floor common area bathroom refurbishment at 660 White Plains Road.

(3) Primarily related to main entrance wall drainage repair at 10 Rooney Circle.

(4) Primarily related to hot water heater replacement at 225 High Ridge Road, chiller restoration at 560 White Plains Road, HVAC rooftop units at 6800 Jericho Turnpike and 300 Executive Drive and boiler replacement at 710 Bridgeport.

(5) Primarily related to replacement of structural beams and upper deck of the parking garage at 560 White Plains Road.

(6) Primarily related to the roof replacement at 6800 Jericho Turnpike.

(7) Primarily related to HVAC rooftop units at 6900 Jericho Turnpike, BMS control system at 200 Broadhollow Road and chiller replacement at 580 White Plains Road.

(8) Primarily related to repaving the parking lot at 710 Bridgeport Avenue pursuant to terms specified in lease agreement.

(9) Primarily related to the roof replacement at 6800 Jericho Turnpike, roof replacement at 710 Bridgeport Ave and work done at 6900 Jericho Turnpike related to the HVAC rooftop units.

(10) Primarily related to caulking at 660 White Plains Road, EIFS replacement at 80 Grasslands Road and window replacement at 300 Motor Parkway.

(11) Primarily related to chiller plant replacement at 560 White Plains Road, new chiller at 6900 Jericho Tpke, and the replacement of two 20 ton roof top units at 200 Executive Drive.

(12) Primarily related to parking lot repair for 150 Motor Parkway and 35 Pinelawn Road.

(13) Primarily related to the roof replacement at 35 Pinelawn Road, 200 Executive Drive and section 1 of 4 at 710 Bridgeport Avenue.

(14) Primarily related to bathroom remodeling at 660 White Plains Road.

(15) Primarily related to powerwashing and caulking at 225 High Ridge Road and rebuilding a retaining wall at 100 & 200 Executive Drive.

(16) Primarily related to lighting upgrade at 100 Executive Drive, heat exchangers at 300 Motor Parkway, chiller plant financing at 580 White Plains Road, the cooling tower replacement at 660 White Plains Road and the BMS replacement at 35 Pinelawn Road.

(17) Primarily related to repaving the parking lots at 660 White Plains Road and 100 & 200 Executive Drive.

(18) Primarily related to the roof replacement at 150 Motor Parkway and replacing gutters at 225 High Ridge Road.

(19) Primarily related to the lobby upgrades at 80 Grasslands Road.

(20) Primarily related to the replacement of the BMS system and VFD's at 35 Pinelawn Road, the HVAC unit stock at 6800 Jericho Tpke and the piping replacement at 6800 Jericho Tpke.

## Tenanting Costs

The following table summarizes the expenditures incurred for tenant improvements and leasing commissions for space leased during 2011, 2012, 2013 and for the six month period ended 30 June 2014.

Tenant Improvements and Leasing Commissions <sup>(1)</sup>						
	2011	2012	2013 <sup>(2)</sup>	2014 <sup>(2)</sup>	New	Renewal
Connecticut Office						
Tenant Improvements	\$50,388	\$335,937	\$304,800	\$197,006	\$74,457	\$122,549
Per Square Foot Improved	\$5.56	\$14.35	\$50.00	\$37.08	\$37.08	\$37.08
Leasing Commissions	\$58,116	\$174,236	\$72,161	\$47,486	\$28,227	\$19,259
Per Square Foot Leased	\$6.41	\$7.44	\$11.84	\$8.94	\$14.06	\$5.83
Total Per Square Foot	<u>\$11.97</u>	<u>\$21.79</u>	<u>\$61.84</u>	<u>\$46.02</u>	<u>\$51.14</u>	<u>\$42.91</u>
Long Island Office						
Tenant Improvements	\$1,473,202	\$1,634,532	\$1,031,745	\$483,171	\$356,289	\$126,882
Per Square Foot Improved	\$11.49	\$8.90	\$6.41	\$18.74	\$21.92	\$13.32
Leasing Commissions	\$718,483	\$759,869	\$775,766	\$202,746	\$136,168	\$66,578
Per Square Foot Leased	\$5.11	\$4.14	\$4.82	\$7.86	\$8.38	\$6.99
Total Per Square Foot	<u>\$16.60</u>	<u>\$13.04</u>	<u>\$11.23</u>	<u>\$26.60</u>	<u>\$30.30</u>	<u>\$20.31</u>
New Jersey Office						
Tenant Improvements	\$532,353	\$138,046	\$506,482	\$0	\$0	\$0
Per Square Foot Improved	\$17.02	\$17.59	\$9.36	\$0.00	\$0.00	\$0.00
Leasing Commissions	\$229,662	\$69,693	\$394,684	\$0	\$0	\$0
Per Square Foot Leased	\$8.24	\$8.88	\$7.29	\$0.00	\$0.00	\$0.00
Total Per Square Foot	<u>\$25.26</u>	<u>\$26.47</u>	<u>\$16.65</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Westchester Office						
Tenant Improvements	\$1,220,508	\$2,224,772	\$1,578,170	\$466,823	\$466,823	\$0
Per Square Foot Improved	\$14.00	\$20.76	\$7.74	\$6.84	\$24.97	\$0.00
Leasing Commissions	\$441,791	\$741,472	\$1,082,039	\$207,404	\$94,918	\$112,486
Per Square Foot Leased	\$4.76	\$6.92	\$5.31	\$3.04	\$5.08	\$2.27
Total Per Square Foot	<u>\$18.76</u>	<u>\$27.68</u>	<u>\$13.05</u>	<u>\$9.88</u>	<u>\$30.05</u>	<u>\$2.27</u>
Flex						
Tenant Improvements	\$0	\$0	\$0	\$12,909	\$0	\$12,909
Per Square Foot Improved	\$0.00	\$0.00	\$0.00	\$0.15	\$0.00	\$0.15
Leasing Commissions	\$4,280	\$27,027	\$3,247	\$133,382	\$0	\$133,382
Per Square Foot Leased	\$0.33	\$1.18	\$0.20	\$1.50	\$0.00	\$1.50
Total Per Square Foot	<u>\$0.33</u>	<u>\$1.18</u>	<u>\$0.20</u>	<u>\$1.65</u>	<u>\$0.00</u>	<u>\$1.65</u>

(1) Represents committed tenant improvement and leasing commissions (at 100% of costs) on leases signed during the period.

(2) Excludes BRE/Melville JV assets.