

RECKSON OPERATING PARTNERSHIP LP
Form 8-K/A
March 01, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K/A

CURRENT REPORT

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

Date of Report (Date of earliest event reported): December 22, 2005

RECKSON ASSOCIATES REALTY CORP.
and
RECKSON OPERATING PARTNERSHIP, L.P.

(Exact name of each Registrant as specified in its Charter)

Reckson Associates Realty Corp. ☐ Maryland
Reckson Operating Partnership, L.P. ☐ Delaware
*(State or other jurisdiction of incorporation or
organization)*

Reckson Associates Realty Corp. -
11-3233650
Reckson Operating Partnership, L.P. -
11-3233647
(IRS Employer ID Number)

225 Broadhollow Road
Melville, New York
(Address of principal executive offices)

11747
(Zip Code)

1-13762
(Commission File Number)
(631) 694-6900

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrants under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Current Report on Form 8-K/A hereby amends the Current Report on Form 8-K/A filed with the Securities and Exchange Commission on December 22, 2005 to provide the required financial information relating to the acquisition of a 1.6 million square foot suburban office portfolio, consisting of 14 buildings, concentrated within five business parks, located in Westchester County (the "Eastridge Portfolio"), by a subsidiary of Reckson Associates Realty Corp. ("Reckson" or the "Company").

In addition, this Current Report on Form 8-K/A provides pro-forma financial information as of September 30, 2005, for the nine months ended September 30, 2005 and for the year ended December 31, 2004 to reflect: (i) the acquisition of Reckson Plaza on October 7, 2005; (ii) the acquisition of One Court Square on May 12, 2005 and the subsequent sale of a 70% interest therein on November 30, 2005; (iii) the transfer of 17 properties to a joint venture (the "RAOC JV") formed between Reckson and Reckson New York Property Trust on September 21, 2005, the transfer of three additional properties to the RAOC JV on January 6, 2006, and the probable transfer of an additional five properties to the RAOC JV in October 2006; (iv) the disposition of 100 Wall Street on December 20, 2005; and (v) the acquisition of the Eastridge Portfolio on December 29, 2005 (collectively, the "Acquisitions and Dispositions"). The unaudited pro-forma financial information should be read in conjunction with the historical financial statements and notes thereto included in Reckson's quarterly report on Form 10-Q for the nine months ended September 30, 2005 and Reckson's annual report on Form 10-K for the year ended December 31, 2004.

Item 9.01. Financial Statements and Exhibits

(a) Financial Statements of Property Acquired

Report of Independent Auditors

Statements of Revenues and Certain Expenses of the Eastridge Portfolio for the nine months ended September 30, 2005 and the year ended December 31, 2004

Notes to the Statements of Revenues and Certain Expenses of the Eastridge Portfolio

(b) Pro-Forma Financial Information

Pro-Forma Balance Sheet at September 30, 2005

Notes to Pro-Forma Balance Sheet at September 30, 2005

Pro-Forma Statement of Income for the nine months ended September 30, 2005

Notes to Pro-Forma Statement of Income for the nine months ended September 30, 2005

Pro-Forma Statement of Income for the year ended December 31, 2004

Notes to Pro-Forma Statement of Income for the year ended December 31, 2004

(c) Exhibits

23.1 Consent of Beck & Company, LLC

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**BECK & COMPANY, LLC
120 WEST 45TH STREET
NEW YORK, NY 10036**

REPORT OF INDEPENDENT AUDITORS

**Board of Directors and Stockholders of
Reckson Associates Realty Corp.**

We have audited the statement of revenues and certain expenses of the 14 properties known as The Eastridge Portfolio, which are located in Westchester County, New York (the "Property") for the year ended December 31, 2004. The financial statement is the responsibility of the Property's owner. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain expenses was prepared for the purpose of complying with Rule 3-14 of Regulation S-X of the Securities and Exchange Commission for inclusion in Form 8-K of Reckson Associates Realty Corp., and is not intended to be a complete presentation of the Property's revenues and expenses.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and certain expenses of the Property, as described in Note 1, for the year ended December 31, 2004, in conformity with accounting principles generally accepted in the United States.

/s/ Beck & Company, LLC

New York, New York
February 28, 2006

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EASTRIDGE PORTFOLIO, WESTCHESTER COUNTY, NEW YORK
STATEMENTS OF REVENUES AND CERTAIN EXPENSES

| | Year Ended 12/31/04 | (Unaudited) Nine Months Ended 9/30/05 |
|--|---------------------------|--|
| Revenues: | | |
| Rents (Note 3) | \$ 31,603,072 | \$ 22,482,509 |
| Tenant escalations and reimbursements | 7,009,116 | 3,545,772 |
| Total revenues | 38,612,188 | 26,028,281 |
| Expenses: | | |
| Real estate taxes | 6,542,416 | 4,668,663 |
| Utilities | 4,208,020 | 3,729,094 |
| Cleaning | 1,578,016 | 1,299,021 |
| Insurance | 373,359 | 293,508 |
| Salaries and benefits | 1,266,454 | 899,864 |
| Repairs and maintenance | 4,065,097 | 2,847,221 |
| General and administrative | 2,896,362 | 2,444,416 |
| Total certain expenses | 20,929,724 | 16,181,787 |
| Revenues in excess of certain expenses | \$ 17,682,464 | \$ 9,846,494 |

See notes to the financial statement.

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**EASTRIDGE PORTFOLIO, WESTCHESTER COUNTY, NEW YORK
NOTES TO THE STATEMENTS OF REVENUES AND CERTAIN EXPENSES**

1. Organization and Significant Accounting Policies

Presented herein are the statements of revenues and certain expenses related to the operation of an office building portfolio known as the Eastridge Portfolio, which is comprised of 14 office buildings located in Westchester County, New York (the "Property"). On December 29, 2005, a subsidiary of Reckson Associates Realty Corp. acquired the Property pursuant to a purchase agreement entered into on December 7, 2005.

The accompanying statements of revenues and certain expenses have been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission for the acquisition of real estate properties. Accordingly, the statements of revenues and certain expenses exclude certain expenses that may not be comparable to those expected to be incurred by the Property in the proposed future operations of the aforementioned property. Items excluded consist of interest, depreciation, amortization and other expenses not directly associated with the future operations.

2. Use of Estimates in the Preparation of Statements of Revenues and Certain Expenses

The preparation of the statements of revenues and certain expenses in conformity with accounting principles generally accepted in the United States requires the Property's owner to make estimates and assumptions that affect the amounts reported in the statements of revenues and certain expenses and accompanying notes. Actual results could differ from those estimates.

3. Revenue Recognition

Minimum rental income is recognized on a straight-line basis over the term of the tenant leases. Space is leased to tenants under leases ranging from 1 to 11 years. The leases generally also require that the tenant reimburse the landlord for increases in certain operating costs, real estate taxes and ground rents above base year costs.

Ten tenants occupy in the aggregate approximately 28% of the rentable space in the Property. Revenues therefrom aggregated approximately 29% of the Property's annual base rent. These leases expire at various dates between January 31, 2005 and August 31, 2015.

4. Future Rental Income

Future minimum rental payments due from tenants under non-cancelable operating leases as of December 31, 2004 are as follows:

| Year Ended | |
|------------|----------------|
| 2005 | \$ 25,141,196 |
| 2006 | 23,796,470 |
| 2007 | 21,261,186 |
| 2008 | 18,416,162 |
| 2009 | 15,831,454 |
| Thereafter | 38,244,228 |
| | \$ 142,690,696 |

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EASTRIDGE PORTFOLIO, WESTCHESTER COUNTY, NEW YORK

NOTES TO THE STATEMENTS OF REVENUES AND CERTAIN EXPENSES (continued)

5. Unaudited Interim Financial Statement

The statement of revenues and certain expenses for the nine months ended September 30, 2005 is unaudited, however, in the opinion of the Property owner, all adjustments (consisting solely of normal recurring adjustments) necessary for a fair presentation of the statement of revenues and certain expenses for the interim period have been included. The results of the interim period are not necessarily indicative of the results to be obtained for a full fiscal year.

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RECKSON ASSOCIATES REALTY CORP.
PRO FORMA FINANCIAL INFORMATION
(Unaudited)

The accompanying financial statements present the unaudited pro-forma balance sheet of Reckson Associates Realty Corp. (the "Company") as of September 30, 2005, and the unaudited pro-forma statements of income for the year ended December 31, 2004 and the nine months ended September 30, 2005.

The unaudited pro-forma balance sheet as of September 30, 2005 is presented as if the Acquisitions and Dispositions had occurred on September 30, 2005. The unaudited pro-forma statements of income for the year ended December 31, 2004 and the nine months ended September 30, 2005 are presented as if the Acquisitions and Dispositions occurred on January 1, 2004 and carried forward through September 30, 2005.

The pro-forma information is unaudited and is not necessarily indicative of the results which actually would have occurred if the aforementioned transactions had been consummated at the beginning of the period presented, nor does it purport to represent the financial position and results of operations for future periods. The pro-forma information should be read in conjunction with the historical financial statements of the Company.

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**Reckson Associates Realty Corp.
Pro-Forma Balance Sheet
September 30, 2005
(Unaudited and in thousands, except share amounts)**

| | One Court Square | | Reckson Plaza | LPT Transaction | | 100 Wall St. | Eastridge Portfolio |
|------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Reckson Historical (A) | Pro-Forma Adjustments (B) | Pro-Forma Adjustments (E) | Pro-Forma Adjustments (F) | Pro-Forma Adjustments (H) | Pro-Forma Adjustments (K) | Pro-Forma Adjustments (L) | Pro-Forma Adjustments (O) |
| 385,457 | \$ | \$ | \$ | \$ | \$ | \$ | \$ 53,481 |
| 2,452,509 | | | 220,684 | | | | 160,979 |
| 101,371 | | | | | | | 1,743 |
| 81,981 | | | 19,000 | | | | 2,692 |
| 12,391 | | | | | | | |
| 3,033,709 | | | 239,684 | | | | 218,895 |
| (516,399) | | | | | | | |
| 2,517,310 | | | 239,684 | | | | 218,895 |
| 669,596 | (333,254) | (142,823) | | (77,949) | (25,983) | (86,321) | 32,110(Q) |
| 12,946 | | 47,304 | | (9,860) | 4,075 | | |
| 166,219 | | | (27,592)(G) | | | 30,000(M) | |
| 57,642 | | | | | | | |
| 32,799 | | | (6,994) | | | 98,787(M) | (100,571)(C) |
| 11,157 | | | | | | | |
| 135,399 | | | | | | | |
| 179,884 | | | (85,098)(G) | | | | 7,538(I) |

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| | | | | | | | |
|-----------|--------------|-------------|------------|-------------|-------------|-----------|------------|
| 2,898 | □ | □ | □ | □ | □ | □ | □ |
| 77,282 | □ | □ | □ | □ | □ | 2,100(M) | □ |
| 3,863,132 | \$ (333,254) | \$ (95,519) | \$ 120,000 | \$ (87,809) | \$ (21,908) | \$ 44,566 | \$ 157,972 |
| 531,527 | \$ □ | \$ □ | \$ □ | \$ □ | \$ □ | \$ □ | \$ □ |
| 231,000 | (116,277)(C) | □ | 120,000(G) | (94,252)(I) | □ | □ | 150,000(P) |
| 979,970 | □ | □ | □ | □ | □ | □ | □ |
| 407,841 | (222,878) | (95,519) | □ | (65,724) | (21,908) | (1,739) | 1,390(Q) |
| 77,245 | □ | □ | □ | □ | □ | □ | 2,276 |
| 75,296 | □ | □ | □ | □ | □ | □ | 4,306(R) |
| 36,232 | □ | □ | □ | □ | □ | □ | □ |
| 2,339,111 | (339,155) | (95,519) | 120,000 | (159,976) | (21,908) | (1,739) | 157,972 |
| 214,608 | □ | □ | □ | □ | □ | □ | □ |
| 1,200 | □ | □ | □ | □ | □ | □ | □ |
| 33,719 | □ | □ | □ | □ | □ | □ | □ |
| 249,527 | □ | □ | □ | □ | □ | □ | □ |
| □ | □ | □ | □ | □ | □ | □ | □ |