

**UNITED STATES
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):
December 16, 2004**

VORNADO REALTY TRUST

(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

No. 001-11954
(Commission File Number)

No. 22-1657560
(IRS Employer
Identification No.)

888 Seventh Avenue
New York, New York
(Address of Principal Executive offices)

10019
(Zip Code)

Registrant's telephone number, including area code: (212) 894-7000

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

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

- 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))

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

1. Increase in Authorized Shares.

On December 16, 2004, the Board of Trustees of Vornado Realty Trust (the "Company") approved and the Company filed Articles of Amendment to the Company's Amended and Restated Declaration of Trust that increased the number of authorized shares of beneficial interest from 540,000,000 to 620,000,000, in order to increase the number of authorized preferred shares of beneficial interest, no par value per share, from 70,000,000 to 110,000,000; leave unchanged the number of authorized common shares of beneficial interest, par value \$0.04 per share, at 200,000,000, and increase the number of excess shares of beneficial interest, par value \$0.04 per share from 270,000,000 to 310,000,000. A copy of the above-referenced Articles of Amendment is attached hereto as Exhibit 3.1 and incorporated herein by reference.

2. Issuance of Series D-12 6.55% Preferred Units by Vornado Realty L.P.

On December 17, 2004, Vornado Realty L.P., a Delaware limited partnership through which the Company conducts its business (the "Operating Partnership"), sold \$20 million of Series D-12 6.55% Preferred Units of limited partnership interest (the "Series D-12 Preferred Units") to an institutional investor in a private placement at a price of \$25.00 per Series D-12 Preferred Unit.

In connection with that sale, the Company filed with the Maryland State Department of Assessments and Taxation Articles Supplementary classifying 800,000 of the Company's authorized preferred shares of beneficial interest as Series D-12 6.55% Cumulative Redeemable Preferred Shares (liquidation preference \$25.00 per share). A copy of the above-referenced Articles Supplementary is attached hereto as Exhibit 3.2 and incorporated herein by reference.

3. Public Offering of 6.625% Series G Cumulative Redeemable Preferred Shares by Vornado Realty Trust

On December 16, 2004, the Company priced \$200,000,000 of 6.625% Series G Cumulative Redeemable Preferred Shares at \$25.00 per share, in an underwritten public offering pursuant to an effective registration statement.

In connection with that pricing, the Company caused Articles Supplementary classifying 9,200,000 of the Company's authorized preferred shares of beneficial interest as Series G 6.625% Cumulative Redeemable Preferred Shares (liquidation preference \$25.00 per share) to be executed under seal in its name and directed that the Articles Supplementary be filed with the Maryland State Department of Assessments and Taxation. A copy of the above-referenced Articles Supplementary is attached hereto as Exhibit 3.3 and incorporated herein by reference. Also, in connection with that pricing, the Company as the General Partner of the Operating Partnership amended the agreement of limited partnership of the Operating Partnership to designate and authorize the issuance to the Company of up to 230,000,000 Series G 6.625% Preferred Units of limited partnership interest at a price per Series G Preferred Unit of \$25.00.

Item 8.01 Other Events.

Public Offering of 6.625% Series G Cumulative Redeemable Preferred Shares By Vornado Realty Trust

On December 16, 2004, the Company priced \$200,000,000 of 6.625% Series G Cumulative Redeemable Preferred Shares at \$25.00 per share, in an underwritten public offering pursuant to an effective registration statement. The Company and the Operating Partnership entered into an underwriting agreement with Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and UBS Securities LLC, as representatives of the several underwriters. A copy of that underwriting agreement is attached hereto as Exhibit 1.1 and incorporated herein by reference. The underwriters expect that the Series G Cumulative Redeemable Preferred Shares will be ready for delivery in book-entry form through The Depository Trust Company on or about December 22, 2004. The press release issued in connection with this underwritten transaction is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 9.01 Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits.

- 1.1 Underwriting Agreement, dated December 16, 2004, among Vornado Realty Trust, Vornado Realty L.P. and Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and UBS Securities LLC, as representatives of the several underwriters.
- 3.1 Articles of Amendment of Declaration of Trust.
- 3.2 Articles Supplementary to Declaration of Trust with respect to the Series D-12 6.55% Preferred Shares.
- 3.3 Articles Supplementary to Declaration of Trust with respect to the 6.625% Series G Cumulative Redeemable Preferred Shares.
- 99.1 Press Release, dated December 16, 2004.

SIGNATURE

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/ Joseph Macnow

Name: Joseph Macnow
Title: Executive Vice President
- Finance and Administration and
Chief Financial Officer

Date: December 21, 2004

EXHIBIT INDEX

- 1.1 Underwriting Agreement, dated December 16, 2004, among Vornado Realty Trust, Vornado Realty L.P. and Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and UBS Securities LLC, as representatives of the several underwriters.
- 3.1 Articles of Amendment of Declaration of Trust.
- 3.2 Articles Supplementary to Declaration of Trust with respect to the Series D-12 6.55% Preferred Shares.
- 3.3 Articles Supplementary to Declaration of Trust with respect to the 6.625% Series G Cumulative Redeemable Preferred Shares.
- 99.1 Press Release, dated December 16, 2004.

VORNADO REALTY TRUST
(a Maryland real estate investment trust)
6.625% Series G Cumulative Redeemable
Preferred Shares of Beneficial Interest
(Liquidation Preference \$25.00 Per Share)

UNDERWRITING AGREEMENT

Dated: December 16, 2004

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VORNADO REALTY TRUST
(a Maryland real estate investment trust)
8,000,000 Shares
6.625% Series G Cumulative Redeemable
Preferred Shares of Beneficial Interest
(No Par Value Per Share)
Underwriting Agreement

December 16, 2004

Citigroup Global Markets Inc.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
UBS Securities LLC
as Representatives of the Several Underwriters
c/o Citigroup Global Markets Inc.
390 Greenwich Street
New York, New York 10013

Ladies and Gentlemen:

Vornado Realty Trust, a Maryland real estate investment trust (the "Company"), confirms its agreement with Citigroup Global Markets Inc. ("Citigroup"), Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), UBS Securities LLC ("UBS") 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 Citigroup, Merrill Lynch and UBS 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 6.625% Series G 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 1,200,000 additional Preferred Shares to cover over-allotments, if any. The aforesaid 8,000,000 Preferred Shares (the "Initial Securities") to be purchased by the Underwriters and all or any part of the 1,200,000 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.

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 in light of the circumstances under which they were made; 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 in light of the circumstances under which they were made; *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 in light of the circumstances under which they were made; *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) Form S-3 Eligibility. The Company meets the requirements for use of Form S-3 under the 1933 Act and has filed with 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 1933 Act and such registration statements have been declared effective by the Commission;

(iv) 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 or business affairs (a "Material Adverse Effect") of the Company and its subsidiaries taken as a whole, otherwise than as set forth or contemplated in the Prospectus;

(v) 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 Company and its subsidiaries taken as a whole;

(vi) Qualification as a REIT. The Company is organized and, commencing with its taxable year ended December 31, 1993, has operated 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;

(vii) 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 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 (except for the general partner interest) nonassessable; the Company is the sole general partner of, and owned an approximately 86.8% common limited partnership interest in, the Operating Partnership as of September 30, 2004;

(viii) Good Standing of Subsidiaries. Each subsidiary of the Company, other than the Operating Partnership, which is covered in paragraph (vii) 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 Company and its subsidiaries taken as a whole; all of the issued and outstanding capital stock of each such subsidiary 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 Company and its subsidiaries taken as a whole and except as disclosed in the Prospectus;

(ix) Capitalization. The Company has an authorized capitalization as set forth in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2004 (except for (a) subsequent issuances, if any, pursuant to this Agreement or pursuant to the terms of reservations, agreements or employee benefit plans, including, without limitation, dividend reinvestment plans and employee or director stock option plans or as otherwise described in the Prospectus or the exercise of options outstanding on the date hereof and (b) subsequent amendments to its Declaration of Trust);

(x) Authorization and Description of the 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 of Vornado Realty Trust" and the Securities will conform to the description thereof contained in the Prospectus Supplement under the caption "Description of the Series G Preferred Shares" and such description will conform to the rights set forth in the Articles Supplementary designating the Securities in each case in all material respects;

(xi) 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 of the Company and, except as would not have a Material Adverse Effect on 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 (except as where such violation would not cause a Material Adverse Effect on the Company and its subsidiaries taken as a whole or any adverse effect on the Company's ability to consummate the transactions contemplated hereby) any statute or any order, rule or regulation of any court or governmental authority, agency or body having jurisdiction over 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;

(xii) 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;

(xiii) 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 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, except where the failure to file such exhibit would not amount to an untrue statement of a material fact or omission of a statement of a material fact required to make the statements in the Registration Statement not misleading in light of the circumstances under which they were made;

(xiv) 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 Company and its subsidiaries taken as a whole;

(xv) Accuracy of Certain Descriptions. The statements set forth in the Prospectus under the captions "Description of Shares of Beneficial Interest of Vornado Realty Trust," "Description of the Series G 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 in all material respects;

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

(xvii) 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 an independent public accounting firm with respect to the Company as required by the 1933 Act and the 1933 Act Regulations;

(xviii) 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, in all material respects, 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, in all material respects, 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;

(xix) Title to Property. Except as otherwise disclosed in the Prospectus, and except as would not have a Material Adverse Effect on 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; (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 to third parties 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;

(xx) Environmental Laws. Except as otherwise disclosed in the Prospectus, or as is not reasonably likely to have a Material Adverse Effect on 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 standards of conduct relating to damage to property or injury to persons caused by such materials (“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 expect that any such governmental authorization will 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 reasonably be expected to 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 made available to the Representatives or counsel for the Underwriters all material 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.

(xxi) No Stabilizing Actions. Except as in compliance with Regulation M, 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 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 1,200,000 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 Representative 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 Citigroup on behalf of the Underwriters, 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 Citigroup on behalf of the Underwriters in its discretion shall make to eliminate any sales or purchases of fractional sales.

(c) *Payment.* Payment of the purchase price for, and delivery through the facilities of The Depository Trust Company ("DTC") of certificates for, the Securities shall be made at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, New York 10036 or at such other place as shall be agreed upon by Citigroup on behalf of the Underwriters and the Company, at 9:00 A.M. (Eastern time) on the fourth 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 Citigroup on behalf of the Underwriters 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 Citigroup on behalf of the Underwriters and the Company, on each Date of Delivery as specified in the notice from Citigroup to the Company.

Payment shall be made to the Company by wire transfer of immediately available funds to a bank account designated by the Company, against delivery through the facilities of DTC to the Representatives for the respective accounts of the Underwriters of certificates for the Securities to be purchased by them.

(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 Representative 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 Representatives 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. 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, except where the failure to comply will not adversely affect the distribution of the Securities. 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 statement 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 security holders 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 the 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 the certificates for the Securities to DTC or its designated custodian or 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 Underwriters 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 or other 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 reasonable 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 and shall continue to be in effect under the 1933 Act or proceedings therefore 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 Underwriters. 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 opinion and letter, dated as of Closing Time, of Sullivan & Cromwell LLP, counsel for the Company, in form and substance reasonably satisfactory to counsel for the Underwriters, together with signed or reproduced copies of such opinion and 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, of Venable, 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 certain legal matters relating to this Agreement and such other related matters as the Underwriters may request. 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 or business affairs 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, 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 shall be in effect 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.

(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, either (i) the Securities shall have been approved for listing on the New York Stock Exchange, or (ii) if trading on the New York Stock Exchange is to be delayed, the Company shall have filed an application for listing of the Securities on the New York Stock Exchange.

(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 Representative shall have received:

(i) Officers' Certificate. A certificate, dated such Date of Delivery, of the Chairman or President and of the Executive Vice President - Finance and Administration, 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 opinion and letter of Sullivan & Cromwell LLP, counsel for the Company, together with the opinion of Venable, LLP, 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.

(iv) Bring-down Comfort Letter. A letter from Deloitte & Touche LLP, in form and substance satisfactory to the Representative and dated such Date of Delivery, substantially in the same form and substance as the letter furnished to the Representative 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 Representative 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, their respective officers or directors, 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:

(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 reasonable fees and disbursements of counsel chosen by the Representatives), 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); and *provided, further,* that the Company

shall not be liable to any Underwriter under the indemnity agreement in this subsection (a) to the extent that any such loss, claim, damage or liability of such Underwriter results from the fact that such Underwriter sold Securities to a person to whom there was not sent or given, at or prior to the written confirmation of such sale, a copy of the Prospectus or the Prospectus as then amended or supplemented (excluding documents incorporated by reference) in any case where such delivery is required by the 1933 Act and the untrue statement or omission of a material fact contained in the Prospectus, any such amendment or supplement thereto or any such other document was corrected in the Prospectus or the Prospectus as then amended or supplemented if the Company has furnished prior to such confirmation sufficient copies thereof to such Underwriter.

(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, partners or officers, including without limitation, 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 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 the Representatives, 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 in accordance with Section 6(a)(iii) hereof, 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 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 Supplement, 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.

For purposes of this Section 7, each officer or director, as the case may be, of each Underwriter and 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, partner or officer, as the case may be, of the Company or the Operating Partnership, including without limitation 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 or business affairs 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 to the public or to enforce contracts for the sale of the Securities, 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 or (v) there shall have been any downgrading in the rating assigned to the Securities or any of the Company's other securities by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Act) or any notice given of any intended or potential downgrading in any such rating or of a possible change in any such rating that does not indicate the direction of the possible change.

(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.

SECTION 10. Default by One or More of the Underwriters.

(a) If any Underwriter shall default in its obligation to purchase the Securities which it has agreed to purchase under this Agreement, the Representatives may in their discretion arrange for themselves or another party or other parties to purchase such Securities on the terms contained herein. If within thirty-six hours after such default by any Underwriter the Representatives do not arrange for the purchase of such Securities, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to the Representatives to purchase such Securities on such terms. In the event that, within the respective prescribed periods, the Representatives notify the Company that they has so arranged for the purchase of such Securities, or the Company notifies the Representatives that it has so arranged for the purchase of such Securities, the Representatives or the Company shall have the right to postpone the Closing Time for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments or supplements to the Registration Statement or the Prospectus which in the opinion of the Representatives may thereby be made necessary. The term "Underwriter" as used in the Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement.

(b) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Underwriter or Underwriters by the Representatives or the Company, or both, as provided in subsection (a) above, the number of Securities which remains unpurchased does not exceed one-tenth of the number of the Securities to be purchased on such date, then the Company shall have the right to require each non-defaulting Underwriter to purchase the full amount of Securities which such Underwriter agreed to purchase under this Agreement and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Securities which such Underwriter agreed to purchase under this Agreement) of the Securities of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Underwriter or Underwriters by the Representatives or the Company, or both, as provided in subsection (a) above, the number of Securities which remains unpurchased exceeds one-tenth of the number of the Securities to be purchased on such date, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Securities of a defaulting Underwriter or Underwriters, then this Agreement shall thereupon terminate, without liability on the party of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company and the Underwriters provided in Section 4 hereof and the indemnity and contribution agreements in Sections 6 and 7 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

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 the General Counsel of Citigroup Global Markets Inc., 390 Greenwich Street, New York, New York 10013; and notices to the Company and the Operating Partnership shall be directed to it at 888 Seventh Avenue, New York, New York 10019, attention of the Executive Vice President - Finance and Administration, Chief Financial Officer.

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

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/ Joseph Macnow

Name: Joseph Macnow
Title: Executive Vice President
Finance and Administration

VORNADO REALTY L.P.

By: Vornado Realty Trust,
its General Partner

By: /s/ Joseph Macnow

Name: Joseph Macnow
Title: Executive Vice President
Finance and Administration

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

CITIGROUP GLOBAL MARKETS INC.
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED
UBS SECURITIES LLC

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

By: CITIGROUP GLOBAL MARKETS INC.

By: /s/ Paul Ingrassia

Name: Paul Ingrassia
Title: Managing Director

SCHEDULE A

<u>Name of Underwriters</u>	<u>Number of Initial Securities</u>
Citigroup Global Markets Inc.	1,600,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	1,600,000
UBS Securities LLC	1,600,000
Wachovia Capital Markets, LLC.	1,600,000
Morgan Stanley & Co. Incorporated	1,600,000
Total	8,000,000

Sch A-1

SCHEDULE B

VORNADO REALTY TRUST

6.625% Series G Cumulative Redeemable Preferred Shares of Beneficial Interest

Title of Designated Shares:

6.625% Series G Cumulative Redeemable Preferred Shares of Beneficial Interest

Number of Designated Shares:

Number of Firm Shares: 8,000,000

Maximum Number of Optional Shares: 1,200,000

Public Offering Price:

\$25.00 per Share, plus accrued dividends from the Closing Time, if settlement occurs after that date.

Purchase Price by Underwriters:

\$24.2125 per Share, plus accrued dividends from the Closing Time, if settlement occurs after that date.

Underwriting Discount:

\$0.7875 per Share

Form of Designated Shares:

Book-Entry Only through DTC.

Specified Funds for Payment of Purchase Price:

Wire transfer of same day funds.

Time of Delivery:

9:00 a.m. (New York City time), December 22, 2004

Closing Location:

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square, New York, New York 10036

Name and Address of Designated Representatives:

Designated Representatives: Citigroup Global Markets Inc.

Address for Notices, etc.: General Counsel
Citigroup Global Markets Inc.
390 Greenwich Street
New York, New York 10013

Dividends:

Cumulative at the annual rate of 6.625% per share on the liquidation preference of the Series G Preferred Shares payable quarterly in arrears on the first calendar day of January, April, July and October of each year, commencing April 1, 2005.

Liquidation Preference:

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

Ranking:

The Series G 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, Series B Preferred Shares, Series C Preferred Shares, Series D Preferred Shares, Series E Preferred Shares, Series F 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 G Pass-Through Preferred Units of the Operating Partnership (with terms mirroring the terms of the Series G Preferred Shares) in exchange for the cash proceeds from the sale of the Series G Preferred Shares. Series G Pass-Through Preferred Units will rank senior to all classes of 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 G 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 G Preferred Shares are not redeemable prior to December 22, 2009. On and after December 22, 2009, the Series G Preferred Shares will be redeemable by the Company at a redemption price of \$25.00 per share, plus any accrued and unpaid dividends through the date of redemption. The Series G Preferred Shares have no maturity date and will remain outstanding indefinitely unless redeemed.

Voting Rights:

Holders of the Series G Preferred Shares generally will have no voting rights. However, if dividends on the Series G Preferred Shares are in arrears for six quarterly dividend periods, the holders of the Series G 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 G 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 the rights, preferences or voting powers of the holders of the Series G 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 G Preferred Shares with respect to the payment of dividends or amounts upon liquidation, dissolution or winding up.

Listing:

New York Stock Exchange: "VNO Pr G"

CUSIP:

929042802

ISIN:

US9290428021

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 formed 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 under the heading "Vornado and the Operating Partnership" and to enter into and perform its obligations under this Agreement;
- (iii) The Operating Partnership is a limited partnership 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 Securities have been duly authorized and validly issued and are fully paid and nonassessable;
- (v) This Agreement has been duly authorized, executed and delivered by the Company and the Operating Partnership;
- (vi) 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;
- (vii) 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 to the Underwriters have been obtained or made; *provided, however*, that for purposes of this paragraph (vii), such counsel need not express any opinion with respect to state securities laws that may be applicable to the issuance, sale or delivery of the Securities;
- (viii) The execution and delivery by the Company and the Operating Partnership of this Agreement, the issuance of the Securities and the sale of the Securities by the Company to the Underwriters pursuant to this Agreement do not, 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 agreement filed as an exhibit to the Company's most recent Annual Report on Form 10-K and any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K under Item 601 (b)(10) of Regulation S-K, subject, in the case of clauses (A), (B) and (C) of this paragraph (viii), 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 (viii), such counsel need not express any opinion with respect to Federal or state securities laws, other antifraud laws or fraudulent transfer laws or the Employee Retirement Income Security Act of 1974 and Related laws;

(ix) 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 August 28, 2003, as supplemented by the discussion under the caption "Federal Income Tax Considerations" in the Prospectus Supplement dated December 16, 2004, 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; and

(x) 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, as amended.

In giving this opinion, Sullivan & Cromwell LLP may state that such opinion is limited to the Federal laws of the United States of America, the laws of the State of New York, the laws of the State of Maryland and the Revised Uniform Limited Partnership Act of the State of Delaware, such counsel may rely as to matters of Maryland law on the opinion of Venable, LLP and such counsel express no opinion as to the effect of the laws of any other jurisdiction; and such counsel may rely as to certain matters, upon information obtained from public officials, officers of the Company and its subsidiaries and other sources believed by them to be responsible. Such counsel may assume that the certificates for the Securities conform to the specimen thereof examined by them and have been authenticated, that this Agreement has been duly authorized, executed and delivered by the Underwriter and that the signatures on all documents examined by them are genuine, assumptions which such counsel need not independently verify.

(i) On the basis of the information that was gained in the course of the performance of the services referred to in their letter 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 supplemented by the Prospectus Supplement, as of the date of the Prospectus Supplement, 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 supplemented by the Prospectus Supplement, as of the date of the Prospectus Supplement, 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 supplemented by the Prospectus Supplement, as of the date and time of delivery of such letter, 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 does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement, the Prospectus or the Prospectus Supplement, except for those made under the caption "Description of Shares of Beneficial Interest of Vornado Realty Trust" in the Prospectus and "Description of the Series G Preferred Shares" in the Prospectus Supplement 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.

(ii) 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.

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 formed 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 under the heading “Vornado and the Operating Partnership” and to enter into and perform its obligations under this Agreement;

(iii) As of the date of this opinion, the Amended and Restated Declaration of Trust of the Company authorized the issuance of up to 620,000,000 shares, consisting of (A) 200,000,000 Common Shares, of which 127,217,439 Common Shares were issued and outstanding (excluding Common Shares issuable upon the exercise of outstanding options, the redemption of outstanding units of the Operating Partnership and the conversion of outstanding \$3.25 Series A Convertible Preferred Shares of Beneficial Interest), (B) 110,000,000 preferred shares of beneficial interest, no par value per share, of which 9,524,704 were issued and outstanding, and (C) 310,000,000 excess shares of beneficial interest, par value \$0.04 per share, of which none were issued and outstanding; 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; 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 Underwriters 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 statements under the heading “Description of Shares of Beneficial Interest of Vornado Realty Trust” in the Prospectus and “Description of the Series G Preferred Shares” in the Prospectus Supplement, to the extent that such statements purport to summarize or describe matters of Maryland law, summaries of legal matters, documents or proceedings or legal conclusions, have 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 Interest of Vornado Realty Trust” in the Prospectus and “Description of the Series G 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 securities laws or regulations of any state or other jurisdiction, including the State of Maryland;

(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 on its own behalf and in its capacity as General Partner of the Operating Partnership;

(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 do 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.

In giving these opinions, Venable, LLP may state that such opinions are limited to the laws of the State 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.

VORNADO REALTY TRUST**ARTICLES OF AMENDMENT OF DECLARATION OF TRUST****THIS IS TO CERTIFY THAT:**

FIRST: The Amended and Restated Declaration of Trust, as amended (the “Declaration of Trust”), of Vornado Realty Trust, a Maryland real estate investment trust (the “Trust”), is hereby amended by deleting Article VI, Section 6.1 of the Declaration of Trust in its entirety and replacing it with the following:

“Section 6.1 Authorized Shares. The total number of shares of beneficial interest which the Trust is authorized to issue is 620,000,000 shares, of which 110,000,000 shall be preferred shares of beneficial interest, no par value per share (“Preferred Stock”) (including 5,789,239 \$3.25 Series A Convertible Preferred Shares of Beneficial Interest, liquidation preference \$50.00 per share; 4,600,000 8.5% Series C Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share; 3,500,000 Series D-1 8.5% Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share; 549,336 8.375% Series D-2 Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$50.00 per share; 8,000,000 Series D-3 8.25% Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share; 5,000,000 Series D-4 8.25% Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share; 7,480,000 Series D-5 8.25% Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share; 1,000,000 Series D-6 8.25% Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share; 7,200,000 Series D-7 8.25% Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share; 360,000 Series D-8 8.25% Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share; 1,800,000 Series D-9 8.25% Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share; 4,800,000 Series D-10 7.00% Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share; 2,200,000 Series D-11 7.20% Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share; 3,450,000 7.00% Series E Cumulative Redeemable Preferred Shares of Beneficial Interest,

liquidation preference \$25.00 per share; and 6,000,000 6.75% Series F Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share); 200,000,000 shares shall be common shares of beneficial interest, \$.04 par value per share ("Common Stock"), and 310,000,000 shares shall be excess shares of beneficial interest, \$.04 par value per share ("Excess Stock")."

SECOND: The foregoing amendment has been approved by the Board of Trustees of the Trust as required by Section 8-203(a)(7) of the Maryland REIT Law and Article IX, Section 9.1(b) of the Declaration of Trust.

THIRD: The total number of shares of beneficial interest which the Trust had authority to issue immediately prior to this amendment was 540,000,000, consisting of 200,000,000 common shares of beneficial interest, \$.04 par value per share, 70,000,000 preferred shares of beneficial interest, no par value per share, and 270,000,000 excess shares of beneficial interest, \$.04 par value per share. The aggregate par value of all authorized shares of beneficial interest having par value was \$18,800,000.

FOURTH: The number of shares of beneficial interest which the Trust has authority to issue pursuant to the foregoing amendment is 620,000,000, consisting of 200,000,000 common shares of beneficial interest, \$.04 par value per share, 110,000,000 preferred shares of beneficial interest, no par value per share, and 310,000,000 excess shares of beneficial interest, \$.04 par value per share. The aggregate par value of all authorized shares of beneficial interest having par value is \$20,400,000.

FIFTH: The undersigned Chairman of the Board acknowledges this amendment to be the trust act of the Trust and, as to all matters or facts required to be verified under oath, the undersigned Chairman of the Board acknowledges that, to the best of his 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.

[THE REMAINDER OF THE PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Trust has caused this amendment to be signed in its name and on its behalf by its Chairman of the Board and attested to by its Corporate Secretary on this 16th day of December, 2004.

ATTEST:

/s/ Alan J. Rice

Name: Alan J. Rice
Title: Corporate Secretary

VORNADO REALTY TRUST

/s/ Steven Roth

Name: Steven Roth
Title: Chairman of the Board

[SEAL]

VORNADO REALTY TRUST

ARTICLES SUPPLEMENTARY

**SERIES D-12 6.55% 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"), the Board of Trustees of the Trust (the "Board of Trustees"), established a Pricing Committee of the Board of Trustees which, by unanimous written consent, classified and designated, 800,000 shares (the "Shares") of the Preferred Stock, no par value per share (as defined in the Declaration), of the Trust as shares of Series D-12 6.55% Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share, 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:

SERIES D-12 6.55% CUMULATIVE REDEEMABLE PREFERRED SHARES

Section 1. Number of Shares and Designation. This series of Preferred Stock shall be designated as Series D-12 6.55% Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share (the "Series D-12 Preferred Shares"), and 800,000 shall be the number of shares of Preferred Stock constituting such series.

Section 2. Definitions. For purposes of the Series D-12 Preferred Shares, the following terms shall have the meanings indicated:

"*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 D-12 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.

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

“*Dividend Payment Date*” shall mean the first calendar day of January, April, July and October, in each year, commencing on the first of January 1, April 1, July 1 or October 1 to follow the Issue Date; *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 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 D-12 Preferred Share, which shall commence on the date on which such Series D-12 Preferred Share was issued by the Trust and end on and include the day preceding the next succeeding January 1, April 1, July 1 or October 1 to occur (whichever occurs first)).

“*Issue Date*” shall mean the first date on which any Series D-12 Preferred Shares are issued.

“*Junior Shares*” shall mean the Common Shares and any other class or series of shares of beneficial interest of the Trust constituting junior shares of beneficial interest as described in paragraph (c) of Section 9 hereof.

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

“*Operating Partnership*” shall mean Vornado Realty L.P., a Delaware limited partnership.

“*Parity Shares*” shall mean any shares of beneficial interest as described 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 (c) of Section 5 hereof.

“*Redemption Price*” shall have the meaning set forth in paragraph (a) of Section 5 hereof.

“*Series D-12 Preferred Shares*” shall have the meaning set forth in Section 1 hereof. It is the intention of the Trust in establishing the Series D-12 Preferred Shares, that, except to the extent otherwise set forth herein, each Series D-12 Preferred Share shall be substantially the economic equivalent of a Series D-12 Preferred Unit in respect of which it was issued.

“Series D-12 Preferred Units” shall mean the Series D-12 Preferred Units of limited partner interest of the Operating Partnership.

“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 D-12 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 D-12 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 Wachovia Bank, N.A., 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 D-12 Preferred Shares.

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

Section 3. Dividends. (a) The holders of Series D-12 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 \$1.6375 per Series D-12 Preferred Share (the “Annual Dividend Rate”). Such dividends with respect to each Series D-12 Preferred Share shall be cumulative from the date on which such Series D-12 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 D-12 Preferred Share on the first Dividend Payment Date after the date on which such Series D-12 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 D-12 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. Accumulated 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 each Series D-12 Preferred Share 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 D-12 Preferred Shares shall be computed on the basis of twelve 30-day months and a 360-day year. Holders of Series D-12 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 D-12 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 D-12 Preferred Shares that may be in arrears.

(c) So long as any Series D-12 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 D-12 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 D-12 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 D-12 Preferred Shares and such Parity Shares.

(d) So long as any Series D-12 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 shares of beneficial interest) 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 D-12 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 D-12 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 D-12 Preferred Shares and any Parity Shares.

(e) Any accumulated distributions on Series D-12 Preferred Units that remain unpaid at the time such Series D-12 Preferred Units are acquired by the Trust for Series D-12 Preferred Shares shall also be deemed to be accumulated and unpaid dividends in respect of such Series D-12 Preferred Shares as of the date of issuance of such Series D-12 Preferred Shares and shall be paid when declared by the Board of Trustees.

Section 4. Liquidation Preference. (a) In the event of any liquidation, dissolution or winding up of the 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 D-12 Preferred Shares shall be entitled to receive Twenty Five Dollars (\$25.00) per Series D-12 Preferred Share (the "Liquidation Preference") plus an amount equal to all dividends (whether or not earned or declared) accumulated and unpaid thereon to the date of final distribution to such holder; but such holders of Series D-12 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 D-12 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 D-12 Preferred Shares and any such other Parity Shares ratably in accordance with the respective amounts that would be payable on such Series D-12 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 D-12 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 D-12 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 D-12 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 D-12 Preferred Shares shall not be redeemable by the Trust prior to December 17, 2009. On and after December 17, 2009, the Trust, at its option, may redeem the Series D-12 Preferred Shares, in whole or in part, as set forth herein, subject to the provisions described below, at a redemption price, payable in cash, equal to the Liquidation Preference plus dividends accumulated and unpaid prior to the date of redemption (the "Redemption Price").

(b) If full cumulative dividends on the Series D-12 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 D-12 Preferred Shares may not be redeemed in part and the Trust may not purchase, redeem or otherwise acquire Series D-12 Preferred Shares or any Parity Shares other than in exchange for Junior Shares.

(c) If the Trust shall redeem shares of Series D-12 Preferred Shares pursuant to paragraph (a) of this Section 5, notice of such redemption shall be given to each holder of record of the Series D-12 Preferred Shares to be redeemed. Such notice shall be provided by first class mail, postage prepaid, at such holder's address as the same appears on the stock records of the Trust, or by publication in The Wall Street Journal or The New York Times, or if neither such newspaper is then being published, any other daily newspaper of national circulation. If the Trust elects to provide such notice by publication, it shall also promptly mail notice of such redemption to the holders of the Series D-12 Preferred Shares to be redeemed. Neither the failure to mail any notice required by this paragraph (c), nor any defect therein or in the mailing thereof, to any particular holder, shall affect the sufficiency of the notice or the validity of the proceedings for redemption with respect to the other holders. Any notice that was mailed in the manner herein provided shall be conclusively presumed to have been duly given on the date mailed whether or not the holder receives the notice. Each such mailed or published notice shall state, as appropriate: (1) the date on which such Series D-12 Preferred Shares are to be redeemed (the "Redemption Date"); (2) the number of Series D-12 Preferred Shares to be redeemed and, if fewer than all the Series D-12 Preferred Shares held by such holder are to be redeemed, the number of such Series D-12 Preferred Shares to be redeemed from such holder; (3) the Redemption Price; (4) the place or places at which certificates for such Series D-12 Preferred Shares are to be surrendered for payment of the Redemption Price; and (5) that dividends on the shares to be redeemed shall cease to accrue on such Redemption Date except as otherwise provided herein. Notice having been published or mailed as aforesaid, from and after the Redemption Date (unless the Trust shall fail to make available an amount of cash necessary to effect such redemption), (i) except as otherwise provided herein, dividends on the Series D-12 Preferred Shares so called for redemption shall cease to accumulate, (ii) said shares shall no longer be deemed to be outstanding, and (iii) all rights of the holders thereof as holders of Series D-12 Preferred Shares of the Trust shall cease (except the right to receive the Redemption Price, without interest thereon, upon surrender and endorsement of their certificates if so required). 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 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 D-12 Preferred Shares so called for redemption. No interest shall accrue for the benefit of the holder of Series D-12 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 D-12 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 D-12 Preferred Shares shall be exchanged for the cash (without interest thereon) for which such Series D-12 Preferred Shares have been redeemed. If fewer than all of the outstanding Series D-12 Preferred Shares are to be redeemed, the Series D-12 Preferred Shares to be redeemed shall be selected by the Trust from the outstanding Series D-12 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 D-12 Preferred Shares evidenced by any certificate are redeemed, then new certificates evidencing the unredeemed Series D-12 Preferred Shares shall be issued without cost to the holder thereof.

Section 6. Reacquired Shares to Be Retired. All Series D-12 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 D-12 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 D-12 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 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 D-12 Preferred Shares, as to the payment of dividends and as to distribution of assets upon liquidation, dissolution or winding up, if the holders of shares 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 D-12 Preferred Shares ("Senior Shares");

(b) on a parity with the Series D-12 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 D-12 Preferred Shares, if the holders of shares of such class or series and the Series D-12 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 accumulated and unpaid dividends per share or liquidation preferences, without preference or priority one over the other ("Parity Shares"); and

(c) junior to the Series D-12 Preferred Shares, as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up, if such shares shall be Common Shares or if the holders of Series D-12 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 class or series, and shares of such class or series shall not in either case rank prior to the Series D-12 Preferred Shares.

Accordingly, the Series A Convertible Preferred Shares, Series C Cumulative Redeemable Preferred Shares, Series D-1 Cumulative Redeemable Preferred Shares, Series D-2 Cumulative Redeemable Preferred Shares, Series D-3 Cumulative Redeemable Preferred Shares, Series D-4 Cumulative Redeemable Preferred Shares, Series D-5 Cumulative Redeemable Preferred Shares, Series D-6 Cumulative Redeemable Preferred Shares, Series D-7 Cumulative Redeemable Preferred Shares, Series D-8 Cumulative Redeemable Preferred Shares, Series D-9 Cumulative Redeemable Preferred Shares, Series D-10 Cumulative Redeemable Preferred Shares, Series D 11 Cumulative Redeemable Preferred Shares, Series E Cumulative Redeemable Preferred Shares and Series F Cumulative Redeemable Preferred Shares are Parity Shares.

Section 10. Voting. Except as otherwise set forth herein, the Series D-12 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 (or trust) action.

If and whenever six quarterly dividends (whether or not consecutive) payable on the Series D-12 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) and 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 D-12 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 D-12 Preferred Shares and the Voting Preferred Shares called as hereinafter provided. Whenever all arrears in dividends on the Series D-12 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 D-12 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 D-12 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 D-12 Preferred Shares and the Voting Preferred Shares, the Secretary of the Trust may, and upon the written request of any holder of Series D-12 Preferred Shares (addressed to the Secretary at the principal office of the Trust) shall, call a special meeting of the holders of the Series D-12 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 D-12 Preferred Shares may call such meeting, upon the notice above provided, and for that purpose shall have access to the stock 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 D-12 Preferred Shares and the Voting Preferred Shares, a successor shall be elected by the Board of Trustees, upon the nomination of the then-remaining trustee elected by the holders of the Series D-12 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 D-12 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 D-12 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 and adversely affects the voting powers, rights or preferences of the Series D-12 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 D-12 Preferred Shares or the Voting Preferred Shares shall not be deemed to materially and adversely affect the voting powers, rights or preferences of the holders of Series D-12 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 and adversely affect any voting powers, rights or preferences of the Series D-12 Preferred Shares 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 D-12 Preferred Shares and the Voting Preferred Shares otherwise entitled to vote in accordance herewith or (b) the authorization or creation of, or the increase in the authorized or issued amount of, any shares of any class or series or any security convertible into or exchangeable for shares of any class or series ranking prior to the Series D-12 Preferred Shares in the distribution of assets on any liquidation, dissolution or winding up of the Trust or in the payment of dividends or distributions; *provided, however,* that, in the case of each of subparagraphs (a) and (b), no such vote of the holders of Series D-12 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, provision is made for the redemption of all Series D-12 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 D-12 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 D-12 Preferred Shares as a single class on any matter, then the Series D-12 Preferred Shares and such other series shall have with respect to such matters one (1) vote per \$50.00 of stated liquidation preference.

Any increase in the authorized number of shares constituting the Series D-12 Preferred Shares for purposes of an issuance of such shares to persons other than to all of the then existing holders thereof on a pro rata basis will require the affirmative vote of 66-2/3% of the votes entitled to be cast by the holders of Series D-12 Preferred Shares.

Section 11. Record Holders. The Trust and the Transfer Agent may deem and treat the record holder of any Series D-12 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 D-12 Preferred Shares constitute Preferred Stock, and Preferred Stock constitutes Equity Stock of the Trust. Therefore, the Series D-12 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 D-12 Preferred Shares of any other term or provision of the 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: The undersigned Executive Vice President—Finance and Administration and Chief Financial Officer 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 Executive Vice President—Finance and Administration and Chief Financial Officer acknowledges that, to the best of his 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.

IN WITNESS WHEREOF, the Trust has caused these Articles Supplementary to be executed in its name and on its behalf by its Executive Vice President—Finance and Administration and Chief Financial Officer and attested to by its Secretary on this 17th day of December, 2004.

VORNADO REALTY TRUST

/s/ Joseph Macnow

Name: Joseph Macnow
Title: Executive Vice President—
Finance and Administration,
Chief Financial Officer

ATTEST:

/s/ Alan J. Rice

Name: Alan J. Rice
Title: Secretary

VORNADO REALTY TRUST

ARTICLES SUPPLEMENTARY

**6.625% SERIES G 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 the Amended and Restated Declaration of Trust of the Trust, as amended, (the “**Declaration**”), the Board of Trustees of the Trust established a Pricing Committee of the Board of Trustees which, by unanimous written consent, classified and designated 9,200,000 shares (the “**Shares**”) of the Preferred Stock, no par value per share (as defined in the Declaration), as shares of 6.625% Series G Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share (“**Series G 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:

6.625% Series G Cumulative Redeemable Preferred Shares

Section 1. Number of Shares and Designation. This series of Preferred Stock shall be designated as 6.625% Series G Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share (the “**Series G Preferred Shares**”), and 9,200,000 shall be the number of shares of Preferred Stock constituting such series.

Section 2. Definitions. For purposes of the Series G 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 G 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.

“**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, as amended.

“**Dividend Payment Date**” shall mean January 1, April 1, July 1 and October 1, in each year, commencing on April 1, 2005; *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 G Preferred Share, which shall commence on the date on which such Series G 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 shares of beneficial interest within the meaning set forth in paragraph (c) of Section 9 hereof.

“**Liquidation Preference**” shall have the meaning set forth in paragraph (a) of Section 4 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 G 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 G 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 G 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 Wachovia Bank, N.A., 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 G Preferred Shares.

“**Voting Preferred Shares**” shall have the meaning set forth in Section 10 hereof.

Section 3. Dividends. (a) The holders of Series G 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 \$1.65625 per Series G Preferred Share (the “**Annual Dividend Rate**”) (equivalent to a rate of 6.625% of the Liquidation Preference per annum). Such dividends with respect to each Series G Preferred Share shall be cumulative from the date on which such Series G 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 G Preferred Share on April 1, 2005. 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 G 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 G 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 G Preferred Shares shall be computed on the basis of twelve 30-day months and a 360-day year. Holders of Series G 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 G 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 G Preferred Shares that may be in arrears.

(c) So long as any Series G 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 G 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 G 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 G Preferred Shares and such Parity Shares.

(d) So long as any Series G 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 G 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 G 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 G Preferred Shares and any Parity Shares.

Section 4. Liquidation Preference. (a) In the event of any liquidation, dissolution or winding up of the 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 G Preferred Shares shall be entitled to receive Twenty-Five Dollars (\$25.00) per Series G 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 G 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 G 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 G Preferred Shares and any such other Parity Shares ratably in accordance with the respective amounts that would be payable on such Series G 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 G 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 G 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 G Preferred Shares shall not be entitled to share therein.

Section 5. Redemption at the Option of the Trust.

(a) Except as otherwise permitted by the Declaration, the Series G Preferred Shares shall not be redeemable by the Trust prior to December 22, 2009. On and after December 22, 2009, the Trust, at its option, may redeem the shares of Series G Preferred Shares, in whole or in part, as set forth herein, subject to the provisions described below.

(b) On and after December 22, 2009, the Series G 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 G Preferred Share, plus any accrued and unpaid dividends to the date fixed for redemption (the "**Redemption Price**"). Each date on which Series G Preferred Shares are to be redeemed (a "**Redemption Date**") (which may not be before December 22, 2009) 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.

A notice of redemption 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 G 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 G 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 G Preferred Shares to be redeemed and, if fewer than all the Series G Preferred Shares held by such holder are to be redeemed, the number of such Series G Preferred Shares to be redeemed from such holder; (iv) the place or places where the certificates evidencing the Series G Preferred Shares are to be surrendered for payment of the Redemption Price; and (v) 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 G 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 G Preferred Shares at the close of business on such Dividend Payment Record Date shall be entitled to the dividend payable on such Series G Preferred Shares on the corresponding Dividend Payment Date notwithstanding the redemption of such Series G 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 G Preferred Shares called for redemption.

(d) If full cumulative dividends on the Series G 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 the Declaration, the Series G Preferred Shares may not be redeemed in part and the Trust may not purchase, redeem or otherwise acquire Series G Preferred Shares or any Parity Shares other than in exchange for Junior Shares.

(e) Notice having been 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 G 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 G 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 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 G Preferred Shares so called for redemption. No interest shall accrue for the benefit of the holder of Series G 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 G 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 G Preferred Shares shall be exchanged for the cash (without interest thereon) for which such Series G Preferred Shares have been redeemed. If fewer than all of the outstanding Series G Preferred Shares are to be redeemed, the Series G Preferred Shares to be redeemed shall be selected by the Trust from the outstanding Series G 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 G Preferred Shares evidenced by any certificate are redeemed, then new certificates evidencing the unredeemed Series G Preferred Shares shall be issued without cost to the holder thereof.

Section 6. Reacquired Shares to Be Retired. All Series G 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 G 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 G 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 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 G 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 G Preferred Shares;

(b) on a parity with the Series G 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 G Preferred Shares, if the holders of such class or series and the Series G 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 G Preferred Shares, as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up, if such class or series of shares shall be Common Shares or if the holders of Series G 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 class or series, and such class or series shall not in either case rank prior to the Series G Preferred Shares (“**Junior Shares**”).

Accordingly, the Series A Convertible Preferred Shares, Series C Cumulative Redeemable Preferred Shares, Series D-1 Cumulative Redeemable Preferred Shares, Series D-2 Cumulative Redeemable Preferred Shares; Series D-3 Cumulative Redeemable Preferred Shares; Series D-4 Cumulative Redeemable Preferred Shares; Series D-5 Cumulative Redeemable Preferred Shares; Series D-6 Cumulative Redeemable Preferred Shares; Series D-7 Cumulative Redeemable Preferred Shares; Series D-8 Cumulative Redeemable Preferred Shares; Series D-9 Cumulative Redeemable Preferred Shares; Series D-10 Cumulative Redeemable Preferred Shares; Series D-11 Cumulative Redeemable Preferred Shares; Series D-12 Cumulative Redeemable Preferred Shares; Series E Cumulative Redeemable Preferred Shares; and Series F Cumulative Redeemable Preferred Shares are Parity Shares.

Section 10. Voting. Except as otherwise set forth herein, the Series G 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 trust action.

If and whenever six quarterly dividends (whether or not consecutive) payable on the Series G 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), 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 G 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 G Preferred Shares and the Voting Preferred Shares called as hereinafter provided. Whenever all arrears in dividends on the Series G 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 G 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 G 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 G Preferred Shares and the Voting Preferred Shares, the Secretary of the Trust may, and upon the written request of any holder of Series G Preferred Shares (addressed to the Secretary at the principal office of the Trust) shall, call a special meeting of the holders of the Series G 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 G 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 G Preferred Shares and the Voting Preferred Shares, a successor shall be elected by the Board of Trustees, upon the nomination of the then-remaining trustee elected by the holders of the Series G 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 G 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 G 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 and adversely affects the voting powers, rights or preferences of the holders of the Series G 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 G 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 G Preferred Shares and (ii) any filing with the State Department of Assessments and Taxation of Maryland by the Trust including in connection with a merger, consolidation or otherwise, shall not be deemed to be an amendment, alteration or repeal of any of the provisions of the Declaration or these Articles Supplementary that materially

and adversely affects the voting powers, rights or preferences of the holders of the Series G Preferred Shares, provided that: (1) the Trust is the surviving entity and the Series G Preferred Shares remain outstanding with the terms thereof materially unchanged in any respect adverse to the holders thereof; or (2) the resulting, surviving or transferee entity is organized under the laws of any state and substitutes or exchanges the Series G Preferred Shares for other preferred stock or shares having preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption thereof identical to that of the Series G Preferred Shares (except for changes that do not materially and adversely affect the holders of Series G Preferred Shares); and *provided further*, that if any such amendment, alteration or repeal would materially and adversely affect any voting powers, rights or preferences of the Series G 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 G Preferred Shares and the Voting Preferred 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 G Preferred Shares in the distribution 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 G 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 G 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 G 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 G Preferred Shares as a single class on any matter, then the Series G 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 G 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 G Preferred Shares constitute Preferred Stock, and Preferred Stock constitutes Equity Stock of the Trust. Therefore, the Series G 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 G Preferred Shares of any other term or provision of the Declaration.

SECOND: The Shares have been classified and designated by the Board of Trustees under the authority contained in the Declaration. These Articles Supplementary have been approved by the Board of Trustees in the manner and by the vote required by law.

THIRD: 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, each of the undersigned acknowledges that to the best of his 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.

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 – Finance and Administration and Chief Financial Officer and attested to by its Secretary on this 20th day of December, 2004.

VORNADO REALTY TRUST

By: /s/ Joseph Macnow

Name: Joseph Macnow
Title: Vice President — Finance and Administration and
Chief Financial Officer

[Seal]

ATTEST:

/s/ Alan Rice

Name: Alan Rice
Title: Secretary

CONTACT: JOSEPH MACNOW
(201) 587-1000

VORNADO
REALTY TRUST
210 Route 4 East
Paramus, NJ 07652

FOR IMMEDIATE RELEASE – December 16, 2004

**Vornado Announces Public Offering of \$200 Million 6.625%
Series G Cumulative Redeemable Preferred Shares**

PARAMUS, NEW JERSEY.....Vornado Realty Trust (NYSE:VNO) today announced the pricing of a public offering of eight million 6.625% Perpetual Series G Cumulative Redeemable Preferred Shares, at a price of \$25.00 per share, pursuant to an effective registration statement. The Company may redeem the Series G Preferred Shares at a redemption price of \$25.00 per share after December 22, 2009. Citigroup, Merrill Lynch & Co. and UBS Investment Bank acted as joint book-running managers. In addition, the Company has granted the underwriters an option for 30 days to purchase up to an additional 1.2 million Preferred Shares to cover over-allotments.

The net proceeds of approximately \$193.5 million will be used to redeem the Company's \$115 million 8.5% Series C Cumulative Redeemable Preferred Shares and \$80 million of its \$200 million 8.25% Series D-3 Perpetual Preferred Units. The Preferred Shares and Units will be redeemed on January 19, 2005 at a redemption price equal to \$25.00 per share or unit plus accrued dividends. In conjunction with the redemption, the Company will write-off \$5.9 million of issuance costs in the first quarter of next year.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification.

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

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.