

## PRESS RELEASE

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**SEPTEMBER 28, 2000**

**Vornado lent \$62 million to Primestone Investment Partners, L.P.**

PARAMUS, NEW JERSEY.....VORNADO REALTY TRUST (NYSE:VNO) today announced that it has made a \$62 million loan to Primestone Investment Partners, L.P. secured by 7,944,893 partnership units in Prime Group Realty LP, the operating partnership of Prime Group Realty Trust (NYSE:PGE). The loan is subject to a \$40 million loan from an affiliate of Prudential Securities Incorporated to Primestone. The loan bears interest at 16% per annum, which, when combined with fees is expected to yield approximately 20%. The loan matures on October 25, 2001 with an eleven month extension option.

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