

VORNADO REALTY TRUST

Form 424B5

August 03, 2011

Table of Contents**CALCULATION OF REGISTRATION FEE**

Title of Each Class of Securities Offered	Maximum Aggregate Offering Price	Amount of Registration Fee(1)
Vornado Realty Trust: 6.875% Series J Cumulative Redeemable Preferred Shares (Liquidation Preference \$25.00 Per Share)	\$ 25,162,326.39	\$ 2,921.35

(1) Calculated in accordance with Rule 457(o) and 457(r) of the Securities Act of 1933, as amended.

Filed Pursuant to Rule 424(B)(5)
Registration No. 333-162775

Prospectus Supplement

(To Prospectus Dated October 30, 2009)

1,000,000 Shares**6.875% Series J Cumulative Redeemable Preferred Shares
(Liquidation Preference \$25.00 Per Share)**

We are offering and selling 1,000,000 of our 6.875% Series J Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share, which we refer to as the Series J Preferred Shares, to Cohen & Steers Capital Management, Inc. (Cohen & Steers) with this prospectus supplement.

Dividends on the Series J Preferred Shares will be cumulative from the last dividend payment date (July 1, 2011) and payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year, at the rate of 6.875% of the liquidation preference per annum, or \$1.71875 per Series J Preferred Share per annum.

Except in instances relating to preservation of our status as a real estate investment trust, the Series J Preferred Shares are not redeemable until April 20, 2016. On and after April 20, 2016, we may redeem the Series J Preferred Shares in whole at any time or in part from time to time at a redemption price of \$25.00 per share, plus any accrued and unpaid dividends through the date of redemption. The Series J Preferred Shares have no maturity date and will remain outstanding indefinitely unless redeemed.

The Series J Preferred Shares are listed on the New York Stock Exchange (the NYSE) under the symbol VNO PrJ. The closing price of the Series J Preferred Shares on the NYSE on August 1, 2011 was \$25.62 per share. We intend to file a supplemental listing application with the NYSE with respect to the Series J Preferred Shares offered hereby.

See Risk Factors beginning on page S-5 of this prospectus supplement and under Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2010 for a discussion of the risks relevant to an investment in our Series J Preferred Shares.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement and the accompanying prospectus. Any representation to the contrary is a criminal offense.

Cohen & Steers has agreed to purchase from us the Series J Preferred Shares offered by this prospectus supplement at a price of \$25.00 per share, plus accrued dividends from July 1, 2011 of \$0.16232639, resulting in \$25,162,326.39 in proceeds to us before deducting our estimated fees and expenses. See Plan of Distribution in this prospectus supplement and the accompanying prospectus.

We expect to deliver the Series J Preferred Shares in book-entry form through The Depository Trust Company on or about August 5, 2011.

August 2, 2011

You should rely only on the information contained in this prospectus supplement and the accompanying prospectus, including the information incorporated by reference in the accompanying prospectus. We have not authorized anyone to give you different or additional information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information in this prospectus supplement or the information incorporated by reference in the accompanying prospectus is accurate as of any date after their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

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ABOUT THIS PROSPECTUS

This document is in two parts. The first part is this prospectus supplement, which adds to and updates information contained in the accompanying prospectus. The second part, the prospectus, provides more general information, some of which may not apply to this offering. Generally, when we refer to this prospectus supplement, we are referring to both parts of this document combined. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus, on the other hand, you should rely on the information in this prospectus supplement.

Before purchasing any securities, you should carefully read both this prospectus supplement and the accompanying prospectus, together with the additional information described under the heading Available Information, in the accompanying prospectus.

All dollar amounts are in U.S. dollars unless otherwise noted.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this prospectus supplement and the accompanying prospectus, or incorporated by reference in the accompanying prospectus, constitute forward-looking statements as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are not guarantees of performance. They represent our intentions, plans, expectations and beliefs and are subject to numerous assumptions, risks and uncertainties. Our future results, financial condition and business may differ materially from those expressed in these forward-looking statements. You can find many of these statements by looking for words such as approximates, believes, expects, anticipates, estimates, plans, would, may or other similar expressions in this prospectus supplement and the accompanying prospectus or the documents incorporated by reference in the accompanying prospectus. Many of the factors that will determine the outcome of these and our other forward-looking statements are beyond our ability to control or predict. For further discussion of factors that could materially affect the outcome of our forward-looking statements and our future results and financial condition, see Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2010.

For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date of this prospectus supplement, the accompanying prospectus or any document incorporated by reference in the accompanying prospectus, as applicable. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We do not undertake any obligation to release publicly any revisions to our forward-looking statements to reflect events or circumstances occurring after the date of this prospectus supplement or to reflect the occurrence of unanticipated events. You should, however, review the factors and risks we describe in the reports we file from time to time with the SEC. See Available Information in the accompanying prospectus.

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PROSPECTUS SUPPLEMENT SUMMARY

The following information may not contain all the information that may be important to you. You should read this entire prospectus supplement and the accompanying prospectus, as well as the documents incorporated by reference in the accompanying prospectus, before making an investment decision. All references to we, our, us and Vornado in this prospectus supplement and the accompanying prospectus mean Vornado Realty Trust and its consolidated subsidiaries, except where it is clear that the term means only the parent company. All references to the Operating Partnership in this prospectus supplement and the accompanying prospectus mean Vornado Realty L.P. Unless indicated otherwise, all references to areas of properties provided in square feet or cubic feet in this prospectus supplement and the accompanying prospectus are approximations.

Vornado and the Operating Partnership

We are a fully integrated real estate investment trust organized under the laws of Maryland. We conduct our business through, and substantially all of our interests in properties are held by, the Operating Partnership. We are the sole general partner of, and owned an approximately 93.3% of the common limited partnership interest in, the Operating Partnership as of June 30, 2011.

As of June 30, 2011, Vornado Realty Trust, through the Operating Partnership, owned directly or indirectly:

Office Properties:

all or portions of 30 office properties aggregating approximately 19.7 million square feet in the New York City metropolitan area (primarily Manhattan);

all or portions of 82 office properties aggregating 20.6 million square feet in the Washington, DC / Northern Virginia areas; and

a 70% controlling interest in 555 California Street, a three-building complex aggregating 1.8 million square feet in San Francisco's financial district, known as the Bank of America Center;

Retail Properties:

158 properties aggregating approximately 25.4 million square feet primarily in Manhattan, the northeastern states, California and Puerto Rico;

Merchandise Mart Properties:

six properties aggregating approximately 6.9 million square feet of showroom and office space, including the 3.5 million square foot Merchandise Mart in Chicago;

Toys R Us, Inc.:

a 32.7% interest in Toys R Us, Inc., which owns and/or operates 1,619 stores worldwide, including 873 stores in the United States and 746 stores internationally;

Other Real Estate Investments:

32.4% of the common stock of Alexander's, Inc. (NYSE: ALX), which has seven properties aggregating 3.4 million square feet in the greater New York metropolitan area;

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the Hotel Pennsylvania containing 1.4 million square feet in New York City;

a 9.9% voting interest in J.C. Penney Company, Inc. (NYSE: JCP), a major retailer that operates department stores nationwide;

a 26.2% equity interest in LNR Property Corporation, an industry leading servicer and special servicer of commercial mortgage loans and CMBS, and a diversified real estate, investment and finance company;

a 25.0% interest in our real estate investment fund, Vornado Capital Partners, in which we are the general partner and investment manager with aggregate equity commitments of \$800 million, of which we committed \$200 million; and

other real estate and investments, including marketable securities and mezzanine loans on real estate.

Our principal executive offices are located at 888 Seventh Avenue, New York, New York 10019, and our telephone number is (212) 894-7000.

On August 1, 2011, we filed with the Securities and Exchange Commission our Quarterly Report on Form 10-Q for the quarter ended June 30, 2011.

The Offering

Issuer	Vornado Realty Trust.
Shares Offered	1,000,000 of our Series J Preferred Shares.
Dividends	Dividends on each Series J Preferred Share will be cumulative from the last dividend payment date (July 1, 2011) and are payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year, at the rate of 6.875% of the liquidation preference per annum, or \$1.71875 per Series J Preferred Share per annum.
Liquidation Preference	\$25.00 per share, plus an amount equal to accrued and unpaid dividends (whether or not earned or declared).
Maturity	The Series J Preferred Shares have no maturity date, and we are not required to redeem the Series J Preferred Shares. Accordingly, the Series J Preferred Shares will remain outstanding indefinitely unless we decide to redeem them. We are not required to set aside funds to redeem the Series J Preferred Shares.
Ranking	The Series J Preferred Shares rank senior to our common shares and any other junior shares that we may issue in the future, and on parity with our Series A Convertible Preferred Shares, Series E Cumulative Redeemable Preferred Shares, Series F Cumulative Redeemable Preferred Shares, Series G Cumulative Redeemable Preferred Shares, Series H Cumulative Redeemable Preferred Shares, Series I Cumulative Redeemable Preferred Shares and any other parity shares that we may issue in the future, in each case with respect to payment of dividends and distribution of assets upon liquidation, dissolution or winding up. We

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intend to contribute the net proceeds from the offering to the Operating Partnership in exchange for preferred units in the Operating Partnership (with economic terms that mirror the terms of the Series J Preferred Shares). These preferred units rank, as to distributions and upon liquidation, senior to the Class A Common Units of limited partnership interest in the Operating Partnership and on parity with the other preferred units in the Operating Partnership.

Conversion Rights

The Series J Preferred Shares are not convertible into or exchangeable for any property or any of our other securities.

Redemption at Option of Vornado

Except in instances relating to preservation of our status as a real estate investment trust, the Series J Preferred Shares are not redeemable until April 20, 2016. On and after April 20, 2016, we may redeem the Series J Preferred Shares, in whole at any time or in part from time to time, at a redemption price of \$25.00 per share, plus any accrued and unpaid dividends through the date of redemption. The Series J Preferred Shares have no maturity date and will remain outstanding indefinitely unless redeemed.

Voting Rights

You will generally have no voting rights. However, if dividends on the Series J Preferred Shares are in arrears for six quarterly dividend periods (whether or not consecutive), the holders of the Series J 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 our Board of Trustees until such dividend arrearage is eliminated. In addition, certain changes that would be material and adverse to the rights of holders of the Series J Preferred Shares cannot be made without the affirmative vote of holders of at least two-thirds of the outstanding Series J Preferred Shares and all other series of parity preferred shares upon which like voting rights have been conferred and are exercisable, voting as a single class. If any such changes would be material and adverse to holders of some but not all series of parity preferred shares, a vote of at least two-thirds of the holders of only the series materially and adversely affected would be required.

Listing

The Series J Preferred Shares are listed on the NYSE under the symbol VNO PrJ . We intend to file a supplemental listing application with the NYSE with respect to the Series J Preferred Shares offered hereby.

Use of Proceeds

We will contribute the net proceeds from this offering to the Operating Partnership in exchange for preferred units of the Operating Partnership. The Operating Partnership will use the proceeds for general business purposes, which may include payment of the redemption or repurchase price for preferred stock and units.

Restrictions on Ownership

In order to maintain our qualification as a real estate

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investment trust for federal income tax purposes, ownership by any person of more than 9.9% of the outstanding preferred shares of any class is prohibited by our Amended and Restated Declaration of Trust. Cohen & Steers and certain affiliates of Cohen & Steers have received from us an exemption of this limitation in respect of the acquisition and ownership of the Series J Preferred Shares. The exemption is not transferable.

Settlement Date

Delivery of the shares of Series J Preferred Shares will be made against payment therefor on or about August 5, 2011.

Form

The Series J Preferred Shares will be maintained in book-entry form registered in the name of the nominee of The Depository Trust Company, except under limited circumstances.

Risk Factors

See **Risk Factors** beginning on page S-5 of this prospectus supplement, as well as **Item 1A. Risk Factors** in our Annual Report on Form 10-K for the year ended December 31, 2010, for a discussion of certain considerations relevant to an investment in our Series J Preferred Shares. The discussion under **Risk Factors** in this prospectus supplement updates, and to the extent inconsistent therewith supersedes, the discussion under **Item 1A. Risk Factors** in our Annual Report on Form 10-K for the year ended December 31, 2010.

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RISK FACTORS

You should carefully consider the risks described below before making an investment decision. The risks described below are not the only ones that we face. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The trading price of Series J Preferred Shares could decline due to any of these risks, and you may lose all or part of your investment. This prospectus supplement, the accompanying prospectus and the documents incorporated in the accompanying prospectus by reference also contain forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and under Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2010.

Series J Preferred Shares Are Equity and Are Subordinate to Our Existing and Future Indebtedness.

Series J Preferred Shares are equity interests in Vornado Realty Trust and do not constitute indebtedness. As such, Series J Preferred Shares rank junior to all indebtedness and other non-equity claims on Vornado Realty Trust with respect to assets available to satisfy claims on Vornado Realty Trust, including in a liquidation of Vornado Realty Trust.

Your Interests Could Be Diluted by the Issuance of Additional Preferred Shares and by Other Transactions.

Our Board of Trustees has the power to reclassify unissued preferred shares, and to amend our Declaration of Trust, without any action by our shareholders, to increase the aggregate number of shares or the number of shares of any class or series, including preferred shares, that we have authority to issue. The issuance of additional preferred shares on parity with or senior to Series J Preferred Shares would dilute the interests of the holders of Series J Preferred Shares, and any issuance of preferred stock senior to Series J Preferred Shares or of additional indebtedness could affect our ability to pay dividends on, redeem or pay the liquidation preference on Series J Preferred Shares. Series J Preferred Shares do not contain any provisions affording the holders of Series J Preferred Shares protection in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all our assets or business, that might adversely affect the holders of Series J Preferred Shares, so long as the rights of the holders of Series J Preferred Shares are not materially and adversely affected.

Series J Preferred Shares May Not Have an Active Trading Market.

Although the Series J Preferred Shares are listed on the NYSE, there may be little or no secondary market for Series J Preferred Shares. Even if a secondary market for Series J Preferred Shares develops, it may not provide significant liquidity and transaction costs in any secondary market could be high and may cease to exist altogether. As a result, the difference between bid and asked prices in any secondary market could be substantial.

Holders of Series J Preferred Shares Have Limited Voting Rights.

Holders of Series J Preferred Shares have no voting rights with respect to matters that generally require the approval of voting shareholders. However, holders of Series J Preferred Shares will have the right to vote as a class on certain limited matters, as described under Description of the Series J Preferred Shares Voting Rights below. In addition, if dividends on Series J Preferred Shares have not been declared or paid for the equivalent of six dividend payments, whether or not for consecutive dividend periods, holders of the outstanding shares of Series J Preferred Shares, together with holders of any other series of our preferred stock ranking on parity with Series J Preferred Shares with similar voting rights, will be entitled to vote for the election of two additional trustees, subject to the terms and to the limited extent described under Description of the Series J Preferred Shares Voting Rights below.

Series J Preferred

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Shares place no restrictions on our business or operations or on our ability to incur indebtedness or engage in any transactions, subject only to the limited voting rights referred to above.

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The net proceeds from the sale of the Series J Preferred Shares are estimated to be \$25,162,326.39, prior to deducting estimated offering expenses payable by us.

We intend to contribute the net proceeds from this offering to the Operating Partnership in exchange for 1,000,000 units of 6.875% Series J Preferred Units (the Series J Preferred Units) in the Operating Partnership equal to the number of Series J Preferred Shares offered and sold hereby. The Operating Partnership will use the net proceeds from that issuance for general business purposes which may include redemption or repurchase of outstanding preferred stock and units. Pending such use, the net proceeds may be invested in short-term income-producing investments. The Series J Preferred Units have a distribution preference equal to the distribution preference on the Series J Preferred Shares and rank, as to distributions and upon liquidation, senior to the Class A Common Units of limited partnership interest in the Operating Partnership and on a parity with other preferred units in the Operating Partnership. See Description of the Series J Preferred Shares Ranking for information about the ranking of the Series J Preferred Units.

**CONSOLIDATED RATIOS OF EARNINGS TO COMBINED FIXED CHARGES
AND PREFERRED SHARE DIVIDEND REQUIREMENTS**

Our consolidated ratios of earnings to combined fixed charges and preference dividends for each of the fiscal years ended December 31, 2006, 2007, 2008, 2009 and 2010 and the six months ended June 30, 2011 were as follows:

	Year Ended December 31,					Six Months Ended June 30,
	2006	2007	2008	2009	2010	2011
Ratio of earnings to combined fixed charges and preference dividends	2.06	1.50	1.11	0.96	1.99	2.03

For purposes of calculating these ratios, (a) earnings represent income from continuing operations before income taxes, plus fixed charges, and (b) fixed charges represent interest expense on all indebtedness, including amortization of deferred debt issuance costs, and the portion of operating lease rental expense that management considers representative of the interest factor, which is one-third of operating lease rentals.

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DESCRIPTION OF THE SERIES J PREFERRED SHARES

The summary of certain terms and provisions of the 6.875% Series J Cumulative Redeemable Preferred Shares of beneficial interest, with a liquidation preference of \$25.00 per share (the Series J Preferred Shares), of Vornado Realty Trust contained in this prospectus supplement does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of our Declaration of Trust, as amended and restated (the

Declaration of Trust), our Bylaws and the Articles Supplementary setting forth the particular terms of the Series J Preferred Shares (the Articles Supplementary), copies of which are filed or incorporated by reference as exhibits to the registration statement of which this prospectus supplement and the accompanying prospectus form a part and are available from us. The following description of the particular terms of the Series J Preferred Shares supplements, and to the extent inconsistent with, replaces, the description of the general terms and provisions of our preferred shares of beneficial interest, no par value per share (the Preferred Shares), set forth in the accompanying prospectus.

General

The Declaration of Trust authorizes the issuance of up to 720,000,000 shares of beneficial interest, consisting of 250,000,000 common shares of beneficial interest, \$.04 par value per share (the Common Shares), 110,000,000 Preferred Shares and 360,000,000 excess shares, \$.04 par value per share. The Preferred Shares may be issued from time to time in one or more series, without shareholder approval, with such designations, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption thereof as established by our Board of Trustees.

As permitted by Maryland law, the Declaration of Trust authorizes our Board of Trustees, without any action by our shareholders, to amend the Declaration of Trust from time to time to increase or decrease the aggregate number of shares of beneficial interest or the number of shares of beneficial interest of any class that we are authorized to issue. The effect of this provision in our Declaration of Trust is to permit our Board of Trustees, without shareholder action, to increase or decrease (a) the total number of authorized shares of beneficial interest of Vornado Realty Trust and/or (b) the number of authorized shares of beneficial interest of any one or more classes. Maryland law permits a real estate investment trust to have shares of beneficial interest that are assigned to a particular class as well as shares that are not assigned to a particular class but are available to be classified by the Board of Trustees at a later time. Thus, the total number of authorized shares of beneficial interest may exceed the total number of authorized shares of all classes. Currently, all of our authorized shares of beneficial interest are assigned to one of the three classes set forth above.

The Board of Trustees supplemented our Declaration of Trust to classify 8,050,000 of our authorized Preferred Shares as Series J Preferred Shares on April 19, 2011, and to further classify 800,000 of our authorized Preferred Shares as additional Series J Preferred Shares on May 5, 2011. Prior to the completion of the offering, the Board of Trustees will further supplement our Declaration of Trust to classify 1,000,000 of our authorized Preferred Shares as Series J Preferred Shares and authorize the issuance thereof. In addition, prior to the completion of the offering, we granted Cohen & Steers and certain affiliates of Cohen & Steers an exemption of the ownership limit in order to permit the acquisition of the Series J Preferred Shares being sold in the offering. We may from time to time, without notice to or the consent of holders of Series J Preferred Shares, issue additional Series J Preferred Shares. All such additional Series J Preferred Shares issued hereafter would be deemed to form a single series with Series J Preferred Shares being offered hereby. When issued, the Series J Preferred Shares will be validly issued, fully paid and nonassessable. The holders of Series J Preferred Shares will have no preemptive rights with respect to any shares of beneficial interest of Vornado Realty Trust or any other securities of Vornado Realty Trust convertible into or carrying rights or options to purchase any such shares. The Series J Preferred Shares will not be subject to any sinking fund and we have no obligation to redeem or retire the Series J Preferred Shares. Unless redeemed by us, the Series J Preferred Shares will have a perpetual term, with no maturity.

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Our income (including income available for distribution on the Series J Preferred Shares) consists primarily of our share of the income of the Operating Partnership, and our cash flow consists primarily of our share of distributions from the Operating Partnership. Distributions by the Operating Partnership are determined by our Board of Trustees and are dependent on a number of factors, including funds from operations available for distribution, the Operating Partnership's financial condition, any decision by our Board of Trustees to reinvest funds rather than to distribute such funds, the Operating Partnership's capital expenditures, the annual distribution requirements under the REIT provisions of the Internal Revenue Code of 1986, as amended (the Code), and such other factors as our Board of Trustees deems relevant. See Item 1.A. Risk Factors - Our Organizational and Financial Structure Gives Rise to Operational and Financial Risks on page 17 in our Annual Report on Form 10-K for the year ended December 31, 2010 for further information regarding the availability of income to us.

The Series J Preferred Shares are listed on the NYSE under the symbol VNO PrJ. We intend to file a supplemental listing application with the NYSE with respect to the Series J Preferred Shares offered hereby. See Plan of Distribution for a discussion of the trading of the Series J Preferred Shares on the NYSE.

Ranking

The Series J Preferred Shares rank senior to the Junior Shares (as defined under Dividends below), including the Common Shares, with respect to payment of dividends and amounts upon liquidation, dissolution or winding up. While any Series J Preferred Shares are outstanding, we may not authorize, create or increase the authorized amount of any class or series of beneficial interest that ranks senior to the Series J Preferred Shares with respect to the payment of dividends or amounts upon liquidation, dissolution or winding up without the consent of the holders of two-thirds of the outstanding Series J Preferred Shares and all other shares of Voting Preferred Shares (as defined under Voting Rights below), voting as a single class. However, we may create additional classes of beneficial interest, increase the authorized number of Preferred Shares or issue series of Preferred Shares ranking on a parity with the Series J Preferred Shares with respect, in each case, to the payment of dividends and amounts upon liquidation, dissolution or winding up (Parity Shares) without the consent of any holder of Series J Preferred Shares. See Voting Rights below for a discussion of the voting rights applicable if we seek to create any class or series of beneficial interest senior to the Series J Preferred Shares.

The following series of shares of beneficial interest are Parity Shares with respect to each other:

\$3.25 Series A Convertible Preferred Shares of Beneficial Interest, liquidation preference \$50.00 per share;

7.00% Series D-10 Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share;

7.20% Series D-11 Cumulative Redeemable Preferred Shares;

6.55% Series D-12 Cumulative Redeemable Preferred Shares;

6.75% Series D-14 Cumulative Redeemable Preferred Shares;

6.875% Series D-15 Cumulative Redeemable Preferred Shares;

7.0% Series E Cumulative Redeemable Preferred Shares;

6.75% Series F Cumulative Redeemable Preferred Shares;

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6.625% Series G Cumulative Redeemable Preferred Shares;

6.75% Series H Cumulative Redeemable Preferred Shares;

6.625% Series I Cumulative Redeemable Preferred Shares; and

6.875% Series J Cumulative Redeemable Preferred Shares, described in this prospectus supplement.

As of June 30, 2011, 38,509 Series A Preferred Shares, 3,000,000 Series E Preferred Shares, 6,000,000 6.75% Series F Preferred Shares, 8,000,000 6.625% Series G Preferred Shares, 4,500,000 6.75% Series H Preferred Shares and 10,800,000 6.625% Series I Preferred Shares were issued and outstanding. As of August 1, 2011, 8,850,000 Series J Preferred Shares were issued and outstanding. The Series D Preferred Shares may be issued, at our option, to satisfy requests for redemption of an equivalent number of units of the Operating Partnership with terms that substantially mirror the economic terms of the shares to be issued. The Series A Preferred Shares are listed on the NYSE under the symbol VNO Pr A , the Series E Preferred Shares are listed on the NYSE under the symbol VNO Pr E , the Series F Preferred Shares are listed on the NYSE under the symbol VNO Pr F , the Series G Preferred Shares are listed on the NYSE under the symbol VNO Pr G , the Series H Preferred Shares are listed on the NYSE under the symbol VNO Pr H and the Series I Preferred Shares are listed on the NYSE under the symbol VNO Pr I. No Series D-10, Series D-11, Series D-12, Series D-14 or Series D-15 Preferred Shares were issued and outstanding as of June 30, 2011.

Ranking of Series J Preferred Units

We intend to contribute the net proceeds from the offering of the Series J Preferred Shares to the Operating Partnership in exchange for a number of Series J Preferred Units equal to the number of Series J Preferred Shares offered and sold hereby. The Series J Preferred Units to be acquired by us will substantially mirror the economic terms of the Series J Preferred Shares and will rank senior to the Class A Common Units of limited partnership interest in the Operating Partnership with respect to the payment of distributions and amounts upon liquidation, dissolution or winding up of the Operating Partnership.

The Series J Preferred Units rank on parity with the following classes of units of the Operating Partnership as well as any other units issued in the future and designated as Parity Units, in each case with respect to the payment of distributions and amounts upon liquidation, dissolution or winding up of the Operating Partnership, without preference or priority of one over the other:

Series A Preferred Units;

7.00% Series D-10 Cumulative Redeemable Preferred Units;

7.20% Series D-11 Cumulative Redeemable Preferred Units;

6.55% Series D-12 Cumulative Redeemable Preferred Units;

3.00% Series D-13 Cumulative Redeemable Preferred Units;

6.75% Series D-14 Cumulative Redeemable Preferred Units;

6.875% Series D-15 Cumulative Redeemable Preferred Units;

5.00% Series D-16 Cumulative Redeemable Preferred Units;

7.00% Series E Cumulative Redeemable Preferred Units;

6.75% Series F Cumulative Redeemable Preferred Units;

6.625% Series G Cumulative Redeemable Preferred Units;
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Floating Rate Series G-1 Preferred Units;

5.50% Series G-2 Preferred Units;

Floating Rate Series G-3 Preferred Units;

5.50% Series G-4 Preferred Units;

6.75% Series H Cumulative Redeemable Preferred Units; and

6.625% Series I Cumulative Redeemable Preferred Units.

The following table summarizes the Operating Partnership's outstanding preferred units other than the Series J Preferred Units as of June 30, 2011, as well as the Series J Preferred Units outstanding as of the date hereof:

Unit	Number of	Per Unit	Preferred or	Conversion
Series	Units	Liquidation	Annual	Rate Into
		Preference	Distribution	Class A
			Rate	Units
Convertible Preferred:				
Series A Preferred ⁽¹⁾	38,509	\$ 50.00	\$ 3.25	1.4334
Series D-13 Preferred ⁽²⁾	1,867,311	\$ 25.00	\$ 0.75	N/A
Perpetual Preferred:				
Series D-10 Preferred ⁽³⁾	3,200,000	\$ 25.00	\$ 1.75	N/A
Series D-11 Preferred ⁽³⁾⁽¹⁰⁾		\$ 25.00	\$ 1.80	N/A
Series D-14 Preferred ⁽³⁾	4,000,000	\$ 25.00	\$ 1.6875	N/A
Series D-15 Preferred ⁽³⁾	1,800,000	\$ 25.00	\$ 1.71875	N/A
Series D-16 Preferred ⁽⁴⁾	1	\$ 1,000,000.00	\$ 50,000.00	N/A
Series E Preferred ⁽⁵⁾	3,000,000	\$ 25.00	\$ 1.75	N/A
Series F Preferred ⁽⁵⁾	6,000,000	\$ 25.00	\$ 1.6875	N/A
Series G Preferred ⁽⁵⁾	8,000,000	\$ 25.00	\$ 1.65625	N/A
Series G-1 Preferred ⁽⁶⁾	5,828	\$ 25.00 ⁽⁶⁾	Floating Rate ⁽⁷⁾	N/A
Series G-2 Preferred ⁽⁶⁾	32,423	\$ 25.00 ⁽⁶⁾	\$ 1.3750	N/A
Series G-3 Preferred ⁽⁶⁾	104,013	\$ 25.00 ⁽⁶⁾	Floating Rate ⁽⁷⁾	N/A
Series G-4 Preferred ⁽⁶⁾	194,290	\$ 25.00 ⁽⁶⁾	\$ 1.3750	N/A
Series H Preferred ⁽⁵⁾	4,500,000	\$ 25.00	\$ 1.6875	N/A
Series I Preferred ⁽⁵⁾	10,800,000	\$ 25.00	\$ 1.65625	N/A
Series J Preferred ⁽⁸⁾⁽⁹⁾	8,850,000	\$ 25.00	\$ 1.71875	N/A

(1) Distributions are cumulative and payable quarterly in arrears. The Series A Preferred Units are convertible at any time at the option of their respective holders at a conversion rate of 1.4334 Class A unit per Series A Preferred Unit, subject to adjustment in certain circumstances. In addition, upon the satisfaction of certain conditions the Operating Partnership, at its option, may redeem the \$3.25 Series A Preferred Units at a current conversion rate of 1.4334 Class A unit per Series A Preferred Unit, subject to adjustment in certain circumstances. At no time are the Series A Preferred Units redeemable for cash.

(2) Holders have the right to require the Operating Partnership to redeem the outstanding Series D-13 Cumulative Redeemable Preferred Units commencing December 30, 2006 for cash equal to the Liquidation Preference of \$25.00 per share, although we may determine to deliver, instead of cash, at our option, common shares with a

value equal to the Liquidation Preference of \$25.00 per share.

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- (3) Distributions are cumulative and payable quarterly in arrears. These units are generally redeemable by us for cash, at our option, after the fifth anniversary of the date of issuance (ranging from November 17, 2008, in the case of the Series D-10 Preferred Units, to May 2, 2011, in the case of the Series D-15 Preferred Units) and at the option of the holder after the 10th anniversary of the date of issuance for cash or, at our option, an equivalent amount of preferred shares. These units have no maturity date and will remain outstanding indefinitely unless they are redeemed.
- (4) Issued in connection with the acquisition of the interest of the Operating Partnership's partner in the Springfield Mall in Fairfax County, Virginia, in December 2010. Distributions are cumulative and payable quarterly in arrears. The Series D-16 Preferred Units are redeemable for cash (i) at our option and (ii) at the option of the holder, in each case following certain events for \$25 million less the aggregate amount of debt-financed distributions. The Series D-16 Preferred Units have no maturity date and will remain outstanding indefinitely unless they are redeemed.
- (5) These units are held by us and we may require the Operating Partnership to redeem these units for cash in connection with the redemption of Series E Preferred Shares, Series F Preferred Shares, Series G Preferred Shares, Series H Preferred Shares and Series I Preferred Shares, as the case may be, and are otherwise redeemable by us at our option for cash.
- (6) Distributions are cumulative and payable quarterly in arrears. Redeemable (i) at the option of the Operating Partnership on or after the tenth anniversary from the date of issuance and (ii) at the option of the holder after the fourth anniversary from the date of issuance, in each case at a redemption price of \$25.00 per unit (subject to increase to \$37.50 per unit or decrease to \$12.50 per unit based on the per share price of the Common Shares at the time of redemption (with respect to Series G-2 and Series G-3) or capital account balances of the holder (with respect to Series G-1 and Series G-4)), plus any accrued and unpaid distributions. The redemption price payable upon a redemption at the option of the holder will be in cash or qualified debt financed distribution by the Operating Partnership to the holder, while the redemption price payable upon a redemption at the option of the Operating Partnership will be in cash, qualified debt financed distribution or Class A units of the Operating Partnership. These units have no maturity date and will remain outstanding indefinitely unless they are redeemed.
- (7) LIBOR plus 90 basis points.
- (8) These units are held by us and we may require the Operating Partnership to redeem these units for cash in connection with the redemption of Series J Preferred Shares, and are otherwise redeemable by us at our option for cash after the fifth anniversary of the date of issuance of this series (April 2016).
- (9) 7,000,000 and 1,050,000 Series J Preferred Units were issued to us by the Operating Partnership in private placements on April 20, 2011 and April 21, 2011, respectively, in connection with the public offering of 8,050,000 Series J Preferred Shares. 800,000 Series J Preferred Units were issued to us by the Operating Partnership in private placements on May 10, 2011 in connection with the public offering of 800,000 Series J Preferred Shares.
- (10) Reflects a redemption of 400,000 units on June 2, 2011 and of the remaining 1,000,000 units on August 2, 2011.

The Operating Partnership may create additional classes of Parity Units or issue additional units of any series of Parity Units without the consent of any holder of Series J Preferred Shares or any other series of Preferred Shares of Vornado.

Dividends

Holders of Series J Preferred Shares will be entitled to receive, when, as and if authorized by our Board of Trustees, out of funds of Vornado Realty Trust legally available for payment, and declared by us, cumulative cash dividends at the rate per annum of 6.875% per share of the liquidation preference thereof (equivalent to \$1.71875 per Series J Preferred Share per annum). Dividends on each Series J Preferred Share will be cumulative from the last dividend payment date (July 1, 2011) and are payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year (and, in the case of any accrued but unpaid dividends, at such additional times and for such interim periods, if any, as determined by the Board of Trustees), at such annual rate; *provided, however*, that if any dividend payment date falls on any day other than a business day, as defined in the Articles Supplementary, the dividend due on such dividend payment date shall be paid on the first business day immediately following such dividend payment date. Each dividend is payable to holders of record as they appear on our share records at the close of business on the record date, not exceeding 30 days preceding the payment dates thereof as fixed by our Board of Trustees. 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 funds of Vornado Realty Trust legally available for the payment of such dividends. Accumulations of dividends on Series J Preferred Shares will

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not bear interest. Dividends payable on the Series J Preferred Shares for any period greater or less than a full dividend period will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends payable on the Series J Preferred Shares for each full dividend period will be computed by dividing the annual dividend rate by four.

No dividend will be declared or paid on any Parity Shares unless full cumulative dividends have been declared and paid or are contemporaneously declared and funds sufficient for payment set aside on the Series J Preferred Shares for all prior dividend periods; *provided, however*, that if accrued dividends on the Series J Preferred Shares for all prior dividend periods have not been paid in full, then any dividend declared on the Series J Preferred Shares for any dividend period and on any Parity Shares will be declared ratably in proportion to accrued and unpaid dividends on the Series J Preferred Shares and such Parity Shares.

We will not (i) declare, pay or set apart funds for the payment of any dividend or other distribution with respect to any Junior Shares (as defined below) (other than in shares of Junior Shares) or (ii) redeem, purchase or otherwise acquire for consideration any Junior Shares through a sinking fund or otherwise (other than a redemption or purchase or other acquisition of Common Shares made for purposes of an employee incentive or benefit plan of Vornado or any subsidiary, or a conversion into or exchange for Junior Shares or redemptions for the purpose of preserving our qualification as a REIT), unless (A) all cumulative dividends with respect to the Series J Preferred Shares and any Parity Shares at the time such dividends are payable have been paid or funds have been set apart for payment of such dividends and (B) sufficient funds have been paid or set apart for the payment of the dividend for the then current dividend period with respect to the Series J Preferred Shares and any Parity Shares.

As used herein, (i) the term *dividend* does not include dividends payable solely in shares of Junior Shares on Junior Shares, or in options, warrants or rights to holders of Junior Shares to subscribe for or purchase any Junior Shares, and (ii) the term *Junior Shares* means the Common Shares, and any other class of capital stock of Vornado now or hereafter issued and outstanding that ranks junior as to the payment of dividends or amounts upon liquidation, dissolution and winding up to the Series J Preferred Shares.

Redemption

Except as otherwise provided under the Declaration of Trust to protect our status as a REIT, Series J Preferred Shares will not be redeemable by Vornado prior to April 20, 2016. On and after April 20, 2016, the Series J Preferred Shares will be redeemable at our option, in whole or in part, at any time or from time to time, at a redemption price of \$25.00 per Series J Preferred Share, plus any accrued and unpaid dividends to the date fixed for redemption.

A notice of redemption will 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 J Preferred Shares at their respective addresses as they appear on our transfer records. A failure to give such notice or any defect in the notice or in its mailing will not affect the validity of the proceedings for the redemption of any Series J Preferred Shares except as to the holder to whom notice was defective or not given. Each notice will state:

the redemption date;

the redemption price;

the number of Series J Preferred Shares to be redeemed;

the place or places where the certificates evidencing the Series J Preferred Shares are to be surrendered for payment of the redemption price; and

that distributions on the shares to be redeemed will cease to accrue on such redemption date.

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If fewer than all the Series J Preferred Shares held by any holder are to be redeemed, the notice mailed to such holder will also specify the number of Series J Preferred Shares to be redeemed from such holder. If fewer than all of the outstanding Series J Preferred Shares are to be redeemed, the shares to be redeemed shall be selected by lot or pro rata or in some other equitable manner determined by us.

On the redemption date, we must pay on each Series J Preferred Share to be redeemed any accrued and unpaid dividends, in arrears, for any dividend period ending on or prior to the redemption date. In the case of a redemption date falling after a dividend payment record date and prior to the related payment date, the holders of Series J Preferred Shares at the close of business on such record date will be entitled to receive the dividend payable on such shares on the corresponding dividend payment date, notwithstanding the redemption of such shares prior to such dividend payment date. Except as provided for in the preceding sentence, no payment or allowance will be made for accrued dividends on any Series J Preferred Shares called for redemption.

If full cumulative dividends on the Series J Preferred Shares and any Parity Shares have not been paid or declared and set apart for payment, the Series J Preferred Shares may not be redeemed in part and we may not purchase, redeem or otherwise acquire Series J Preferred Shares or any Parity Shares other than in exchange for Junior Shares; *provided, however*, that the foregoing shall not prevent the purchase by us of Excess Shares in order to ensure that we continue to meet the requirements for qualification as a REIT. See "Restrictions on Ownership" for a discussion of such purchases of Excess Shares by us.

On and after the date fixed for redemption, *provided* that we have made available at the office of the registrar and transfer agent a sufficient amount of cash to effect the redemption, dividends will cease to accrue on the Series J Preferred Shares called for redemption (except that, in the case of a redemption date after a dividend payment record date and prior to the related payment date, holders of Series J Preferred Shares on the dividend payment record date will be entitled on such dividend payment date to receive the dividend payable on such shares), such shares shall no longer be deemed to be outstanding and all rights of the holders of such shares as holders of Series J Preferred Shares shall cease except the right to receive the cash payable upon such redemption, without interest from the date of such redemption.

Liquidation Preference

The holders of Series J Preferred Shares will be entitled to receive in the event of any liquidation, dissolution or winding up of Vornado, whether voluntary or involuntary, \$25.00 per Series J Preferred Share (the "Liquidation Preference") plus an amount per Series J Preferred Share equal to all dividends (whether or not earned or declared) accrued and unpaid thereon to the date of final distribution to such holders.

Until the holders of the Series J Preferred Shares have been paid the Liquidation Preference and all accrued and unpaid dividends in full, no payment will be made to any holder of Junior Shares upon the liquidation, dissolution or winding up of Vornado. If, upon any liquidation, dissolution or winding up of Vornado, the assets of Vornado, or proceeds thereof, distributable among the holders of the Series J Preferred Shares are insufficient to pay in full the Liquidation Preference and all accrued and unpaid dividends and the liquidation preference and all accrued and unpaid dividends with respect to any other shares of Parity Shares, then such assets, or the proceeds thereof, will be distributed among the holders of Series J Preferred Shares and any such Parity Shares ratably in accordance with the respective amounts which would be payable on such Series J Preferred Shares and any such Parity Shares if all amounts payable thereon were paid in full. None of (i) a consolidation or merger of Vornado with one or more entities, (ii) a statutory share exchange by Vornado or (iii) a sale or transfer of all or substantially all of Vornado's assets will be considered a liquidation, dissolution or winding up, voluntary or involuntary, of Vornado.

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Voting Rights

Except as indicated below, the holders of Series J Preferred Shares will have no voting rights.

If and whenever six quarterly dividends (whether or not consecutive) payable on the Series J Preferred Shares or any other Parity Shares are in arrears, whether or not earned or declared, the number of trustees then constituting our Board of Trustees will be increased by two and the holders of Series J Preferred Shares, voting together as a class with the holders of any other series of Parity Shares (any such other series, the "Voting Preferred Shares"), will have the right to elect these two additional trustees at an annual meeting of shareholders or a properly called special meeting of the holders of the Series J Preferred Shares and such Voting Preferred Shares and at each subsequent annual meeting of shareholders until all such dividends and dividends for the then current quarterly period on the Series J Preferred Shares and such other Voting Preferred Shares have been paid or declared and set aside for payment. Whenever all arrears in dividends on the Series J Preferred Shares and the Voting Preferred Shares then outstanding have been paid and full dividends on the Series J Preferred Shares and the Voting Preferred Shares for the then current quarterly dividend period have been paid in full or declared and set apart for payment in full, then the right of the holders of the Series J Preferred Shares and the Voting Preferred Shares to elect these two additional trustees will cease, the terms of office of these two trustees will forthwith terminate and the number of members of the Board of Trustees will be reduced accordingly. However, the right of the holders of the Series J Preferred Shares and the Voting Preferred Shares to elect two additional trustees will again vest if and whenever six quarterly dividends are in arrears, as described above.

The approval of two-thirds of the votes entitled to be cast by the holders of outstanding Series J Preferred Shares and all other series of Voting Preferred Shares, acting as a single class regardless of Series either at a meeting of shareholders or by written consent, is required in order (i) to amend, alter or repeal any provisions of the Declaration of Trust or Articles Supplementary, whether by merger, consolidation or otherwise, to affect materially and adversely the voting powers, rights or preferences of the holders of the Series J Preferred Shares or the Voting Preferred Shares, unless in connection with any such amendment, alteration or repeal, each Series J Preferred Share remains outstanding without the terms thereof being materially changed in any respect adverse to the holders thereof or is converted into or exchanged for preferred stock of the surviving entity having preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption thereof identical to those of the Series J Preferred Shares, or (ii) to authorize, create, or increase the authorized amount of, any class or series of beneficial interest having rights senior to the Series J Preferred Shares with respect to the payment of dividends or amounts upon liquidation, dissolution or winding up (*provided* that if such amendment affects materially and adversely the rights, preferences, privileges or voting powers of one or more but not all of the series of Voting Preferred Shares, the consent of the holders of at least two-thirds of the outstanding shares of each such series so affected is required in lieu of (or, if such consent is required by law, in addition to) the consent of the holders of two-thirds of the Voting Preferred Shares as a class). However, Vornado may create additional classes of Parity Shares and Junior Shares, increase the authorized number of shares of Parity Shares and Junior Shares and issue additional series of Parity Shares and Junior Shares without the consent of any holder of Series J Preferred Shares.

Conversion Rights

The Series J Preferred Shares are not convertible into or exchangeable for any other property or securities of Vornado.

Restrictions on Ownership

For us to maintain our qualification as a REIT under the Code, not more than 50% in value of our outstanding shares of beneficial interest may be owned, beneficially or constructively, by five or fewer individuals (as defined in the Code to include certain entities) at any time during the last half of a taxable year, and the shares of beneficial interest must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months (or during a proportionate part of a shorter taxable year). For

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this and other reasons, the Declaration of Trust and the Articles Supplementary contain provisions that restrict the ownership and transfer of shares of beneficial interest.

Our Declaration of Trust contains a Preferred Share ownership limit that restricts shareholders from owning, under the applicable attribution rules of the Code, more than 9.9% of the outstanding Preferred Shares of any class or series and a Common Share ownership limit that generally restricts shareholders from owning, under the applicable attribution rules of the Code, more than 6.7% of the Outstanding Common Shares. Shares owned in excess of these limits will be automatically exchanged for Excess Shares pursuant to our Declaration of Trust. Excess Shares will be held in trust by us and, while held in trust, will not be entitled to vote or participate in dividends or distributions made by us.

We granted Cohen & Steers and certain affiliates of Cohen & Steers an exemption of the ownership limit in order to permit the acquisition and ownership of the Series J Preferred Shares being sold in the offering. The exemption is not transferable.

For a more detailed discussion of the restrictions on ownership of the shares of beneficial interest, see Description of Shares of Beneficial Interest of Vornado Realty Trust Description of Preferred Shares of Vornado Realty Trust Restrictions on Ownership and Description of Shares of Beneficial Interest of Vornado Realty Trust Description of Common Shares of Vornado Realty Trust Restrictions on Ownership of Common Shares in the accompanying prospectus.

Transfer Agent, Registrar, Dividend Disbursing Agent and Redemption Agent

The transfer agent, registrar, dividend disbursing agent and redemption agent for the Series J Preferred Shares is American Stock Transfer & Trust Company, New York, New York.

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FEDERAL INCOME TAX CONSIDERATIONS

The following discussion supplements, and, to the extent inconsistent therewith, amends, the discussion set forth in the accompanying prospectus under the heading Federal Income Tax Considerations and is subject to the limitations and exceptions set forth therein.