

ALEXANDERS INC
Form 10-Q
May 05, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(Mark one)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period **March 31, 2014**
ended:

Or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from: _____ **to** _____

Commission File Number: **001-6064**

ALEXANDER'S, INC.

(Exact name of registrant as specified in its charter)

Delaware

51-0100517

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(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification Number)

210 Route 4 East, Paramus, New Jersey
(Address of principal executive offices)

07652
(Zip Code)

(201) 587-8541

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer (Do not check if smaller reporting company)

Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 30, 2014, there were 5,106,196 shares of common stock, par value \$1 per share, outstanding.

ALEXANDER'S, INC.
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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**

ALEXANDER'S, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(Amounts in thousands, except share and per share amounts)

| ASSETS | March 31, 2014 | December 31, 2013 |
|--|---------------------------|------------------------------|
| Real estate, at cost: | | |
| Land | \$ 44,971 | \$ 44,971 |
| Buildings and leasehold improvements | 870,630 | 869,681 |
| Development and construction in progress | 6,085 | 4,924 |
| Total | 921,686 | 919,576 |
| Accumulated depreciation and amortization | (191,526) | (185,375) |
| Real estate, net | 730,160 | 734,201 |
| Cash and cash equivalents | 355,328 | 347,718 |
| Restricted cash | 85,534 | 90,044 |
| Marketable securities | 33,363 | 31,522 |
| Tenant and other receivables, net of allowance for doubtful accounts of \$1,960 and \$1,993, respectively | 2,732 | 2,925 |
| Receivable arising from the straight-lining of rents | 178,042 | 177,401 |
| Deferred lease and other property costs, net, including unamortized leasing fees to Vornado of \$35,868 and \$36,728, respectively | 49,161 | 50,273 |
| Deferred debt issuance costs, net of accumulated amortization of \$9,243 and \$19,187, respectively | 6,844 | 3,246 |
| Other assets | 10,879 | 20,394 |
| | \$ 1,452,043 | \$ 1,457,724 |
| LIABILITIES AND EQUITY | | |
| Mortgages payable | \$ 1,035,022 | \$ 1,049,959 |
| Amounts due to Vornado | 42,492 | 43,307 |
| Accounts payable and accrued expenses | 37,004 | 27,450 |
| Other liabilities | 3,424 | 3,427 |
| Total liabilities | 1,117,942 | 1,124,143 |
| Commitments and contingencies | | |
| Preferred stock: \$1.00 par value per share; authorized, 3,000,000 shares; | | |
| issued and outstanding, none | - | - |

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Common stock: \$1.00 par value per share; authorized, 10,000,000 shares;

| | | |
|---|--------------|--------------|
| issued, 5,173,450 shares; outstanding, 5,106,196 shares | 5,173 | 5,173 |
| Additional capital | 29,745 | 29,745 |
| Retained earnings | 296,152 | 297,515 |
| Accumulated other comprehensive income | 3,405 | 1,522 |
| Treasury stock: 67,254 shares, at cost | (374) | (374) |
| Total equity | 334,101 | 333,581 |
| | \$ 1,452,043 | \$ 1,457,724 |

See notes to consolidated financial statements (unaudited).

ALEXANDER'S, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

(Amounts in thousands, except share and per share amounts)

| | Three Months Ended | |
|--|---------------------------|---------------|
| | March 31, | |
| | 2014 | 2013 |
| REVENUES | | |
| Property rentals | \$ 34,136 | \$ 34,171 |
| Expense reimbursements | 15,332 | 14,604 |
| Total revenues | 49,468 | 48,775 |
| EXPENSES | | |
| Operating, including fees to Vornado of \$1,089 and \$982, respectively | 16,490 | 15,607 |
| Depreciation and amortization | 7,261 | 7,223 |
| General and administrative, including management fees to Vornado of \$595 in each period | 1,187 | 1,017 |
| Total expenses | 24,938 | 23,847 |
| OPERATING INCOME | 24,530 | 24,928 |
| Interest and other income, net | 401 | 385 |
| Interest and debt expense | (9,684) | (11,148) |
| Income before income taxes | 15,247 | 14,165 |
| Income tax expense | (3) | (3) |
| Net income | \$ 15,244 | \$ 14,162 |
| Net income per common share – basic and diluted | \$ 2.98 | \$ 2.77 |
| Weighted average shares outstanding | 5,109,717 | 5,108,016 |
| Dividends per common share | \$ 3.25 | \$ 2.75 |

See notes to consolidated financial statements (unaudited).

ALEXANDER'S, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

(Amounts in thousands)

| | Three Months Ended | |
|--|---------------------------|-------------|
| | March 31, | |
| | 2014 | 2013 |
| Net income | \$ 15,244 | \$ 14,162 |
| Other comprehensive income: | | |
| Change in unrealized net gain on available-for-sale securities | 1,841 | 3,254 |
| Change in value of interest rate cap | 42 | - |
| Comprehensive income | \$ 17,127 | \$ 17,416 |

See notes to consolidated financial statements (unaudited).

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ALEXANDER'S, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED)

(Amounts in thousands)

| | Common Stock | | Additional | Retained | Accumulated | Treasury | Total |
|--|--------------|----------|------------|------------|----------------------------------|----------|------------|
| | Shares | Amount | Capital | Earnings | Comprehensive Other Income | Stock | Equity |
| Balance, December 31, 2012 | 5,173 | \$ 5,173 | \$ 29,352 | \$ 296,797 | \$ 1,206 | \$ (375) | \$ 332,153 |
| Net income | - | - | - | 14,162 | - | - | 14,162 |
| Dividends paid | - | - | - | (14,047) | - | - | (14,047) |
| Change in unrealized net gain on available-for-sale securities | - | - | - | - | 3,254 | - | 3,254 |
| Balance, March 31, 2013 | 5,173 | \$ 5,173 | \$ 29,352 | \$ 296,912 | \$ 4,460 | \$ (375) | \$ 335,522 |
| Balance, December 31, 2013 | 5,173 | \$ 5,173 | \$ 29,745 | \$ 297,515 | \$ 1,522 | \$ (374) | \$ 333,581 |
| Net income | - | - | - | 15,244 | - | - | 15,244 |
| Dividends paid | - | - | - | (16,607) | - | - | (16,607) |
| Change in unrealized net gain on available-for-sale securities | - | - | - | - | 1,841 | - | 1,841 |
| Change in value of interest rate cap | - | - | - | - | 42 | - | 42 |
| Balance, March 31, 2014 | 5,173 | \$ 5,173 | \$ 29,745 | \$ 296,152 | \$ 3,405 | \$ (374) | \$ 334,101 |

See notes to consolidated financial statements (unaudited).

ALEXANDER'S, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(Amounts in thousands)

| | Three Months Ended | |
|---|---------------------------|-------------|
| | March 31, | |
| | 2014 | 2013 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 15,244 | \$ 14,162 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization, including amortization of debt issuance costs | 7,898 | 7,821 |
| Straight-lining of rental income | (641) | (949) |
| Change in operating assets and liabilities: | | |
| Tenant and other receivables, net | 193 | (424) |
| Other assets | 9,547 | 9,277 |
| Amounts due to Vornado | (815) | (822) |
| Accounts payable and accrued expenses | 8,888 | 4,488 |
| Other liabilities | (3) | (1) |
| Net cash provided by operating activities | 40,311 | 33,552 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Restricted cash | 4,510 | 919 |
| Construction in progress and real estate additions | (1,444) | (1,267) |
| Net cash provided by (used in) investing activities | 3,066 | (348) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Debt repayments | (314,937) | (3,963) |
| Proceeds from borrowing | 300,000 | - |
| Dividends paid | (16,607) | (14,047) |
| Debt issuance costs | (4,223) | (82) |
| Net cash used in financing activities | (35,767) | (18,092) |
| Net increase in cash and cash equivalents | 7,610 | 15,112 |
| Cash and cash equivalents at beginning of period | 347,718 | 353,396 |
| Cash and cash equivalents at end of period | \$ 355,328 | \$ 368,508 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Cash payments for interest, excluding capitalized interest of \$30 in 2014 | \$ 10,291 | \$ 10,472 |
| NON-CASH TRANSACTIONS | | |
| Liability for real estate additions included in accounts payable and accrued expenses | \$ 1,750 | \$ 603 |
| Write-off of fully amortized and depreciated assets | 10,569 | - |

See notes to consolidated financial statements (unaudited).

ALEXANDER’S, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. Organization

Alexander’s, Inc. (NYSE: ALX) is a real estate investment trust (“REIT”), incorporated in Delaware, engaged in leasing, managing, developing and redeveloping its properties. All references to “we,” “us,” “our,” “Company” and “Alexander’s” refer to Alexander’s, Inc. and its consolidated subsidiaries. We are managed by, and our properties are leased and developed by, Vornado Realty Trust (“Vornado”) (NYSE: VNO).

2. Basis of Presentation

The accompanying consolidated financial statements are unaudited and include the accounts of Alexander’s and its consolidated subsidiaries. All intercompany amounts have been eliminated. In our opinion, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and changes in cash flows have been made. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) have been condensed or omitted. These condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q of the Securities and Exchange Commission (the “SEC”) and should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2013, as filed with the SEC.

We have made estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. The results of operations for the three months ended March 31, 2014 are not necessarily indicative of the operating results for the full year. Certain prior year balances have been reclassified in order to conform to current year presentation.

We currently operate in one business segment.

3. Recently Issued Accounting Literature

In April 2014, the FASB issued an update (“ASU 2014-08”) *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity* to ASC Topic 205, *Presentation of Financial Statements* and ASC Topic 360, *Property Plant and Equipment*. Under ASU 2014-08, only disposals that represent a strategic shift that has (or will have) a major effect on the entity’s results and operations would qualify as discontinued operations. In addition, the ASU expands the disclosure requirements for disposals that meet the definition of a discontinued operation and requires entities to disclose information about disposals of individually significant components that do not meet the definition of discontinued operations. ASU 2014-08 is effective for interim and annual reporting periods in fiscal years that begin after December 15, 2014. The adoption of this update on January 1, 2015 is not expected to have any impact on our consolidated financial statements.

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

4. Relationship with Vornado

At March 31, 2014, Vornado owned 32.4% of our outstanding common stock. We are managed by, and our properties are leased and developed by, Vornado, pursuant to the agreements described below which expire in March of each year and are automatically renewable.

Management and Development Agreements

We pay Vornado an annual management fee equal to the sum of (i) \$2,800,000, (ii) 2% of gross revenue from the Rego Park II shopping center, (iii) \$0.50 per square foot of the tenant-occupied office and retail space at 731 Lexington Avenue and (iv) \$272,000, escalating at 3% per annum, for managing the common area of 731 Lexington Avenue.

In addition, Vornado is entitled to a development fee of 6% of development costs, as defined.

Leasing Agreements

Vornado also provides us with leasing services for a fee of 3% of rent for the first ten years of a lease term, 2% of rent for the eleventh through the twentieth year of a lease term, and 1% of rent for the twenty-first through thirtieth year of a lease term, subject to the payment of rents by tenants. In the event third-party real estate brokers are used, the fees to Vornado increase by 1% and Vornado is responsible for the fees to the third-party real estate brokers. Vornado is also entitled to a commission upon the sale of any of our assets equal to 3% of gross proceeds, as defined, for asset sales less than \$50,000,000 and 1% of gross proceeds, as defined, for asset sales of \$50,000,000 or more. The total of these amounts is payable in annual installments in an amount not to exceed \$4,000,000, with interest on the unpaid balance at one-year LIBOR plus 1.0% (1.58% at March 31, 2014).

Other Agreements

We also have agreements with Building Maintenance Services, a wholly owned subsidiary of Vornado, to supervise (i) cleaning, engineering and security services at our Lexington Avenue property and (ii) security services at our Rego Park I and Rego Park II properties, for an annual fee equal to the cost of such services plus 6%.

The following is a summary of fees to Vornado under the various agreements discussed above.

| (Amounts in thousands) | Three Months Ended | |
|---|---------------------------|-------------|
| | March 31, | |
| | 2014 | 2013 |
| Company management fees | \$ 700 | \$ 700 |
| Leasing fees | 178 | 386 |
| Property management fees and payments for cleaning, engineering and security services | 870 | 795 |
| | \$ 1,748 | \$ 1,881 |

At March 31, 2014, we owed Vornado \$42,102,000 for leasing fees and \$390,000 for management, property management, cleaning and security fees.

ALEXANDER'S, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

5. Rego Park II Apartment Tower

We have commenced the construction of an apartment tower that will contain approximately 300 units aggregating 250,000 square feet, above our Rego Park II shopping center, which is expected to be completed in 2015. The estimated cost of this project is approximately \$125,000,000, of which \$4,109,000 has been incurred as of March 31, 2014. There can be no assurance that the project will be completed on schedule, or within budget.

6. Marketable Securities

As of March 31, 2014 and December 31, 2013, we owned 535,265 common shares of The Macerich Company (“Macerich”) (NYSE: MAC), which were received in connection with the sale of the Kings Plaza Regional Shopping Center to Macerich in November 2012. These shares have an economic cost of \$56.05 per share, or \$30,000,000 in the aggregate. As of March 31, 2014 and December 31, 2013, the fair values of these shares were \$33,363,000 and \$31,522,000, respectively, based on Macerich’s closing share price of \$62.33 per share and \$58.89 per share, respectively. These shares are included in “marketable securities” on our consolidated balance sheets and are classified as available-for-sale. Available-for-sale securities are presented at fair value and unrealized gains and losses resulting from the mark-to-market of these securities are included in “other comprehensive income.”

7. Significant Tenants

Bloomberg L.P. (“Bloomberg”) accounted for \$22,017,000 and \$21,802,000, representing 45% of our total revenues in each of the three-month periods ended March 31, 2014 and 2013, respectively. No other tenant accounted for more than 10% of our total revenues. If we were to lose Bloomberg as a tenant, or if Bloomberg were to fail or become unable to fulfill its obligations under its lease, it would adversely affect our results of operations and financial condition. We receive and evaluate certain confidential financial information and metrics from Bloomberg on a semi-annual basis. In addition, we access and evaluate financial information regarding Bloomberg from private sources, as well as publicly available data.

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

8. Mortgages Payable

On February 28, 2014, we completed a \$300,000,000 refinancing of the office portion of 731 Lexington Avenue. The interest-only loan is at LIBOR plus 0.95% and matures in March 2017, with four one-year extension options. The proceeds of the new loan and existing cash were used to repay the existing loan and closing costs. In connection therewith, we purchased an interest rate cap with a notional amount of \$300,000,000 that caps LIBOR at a rate of 6.0%.

The following is a summary of our outstanding mortgages payable. We may refinance our maturing debt as it comes due or choose to repay it at maturity.

| (Amounts in thousands) | Maturity ⁽¹⁾ | Interest Rate at March 31, 2014 | Balance at | |
|--|-------------------------|--|-------------------|----------------------|
| | | | March 31, 2014 | December 31, 2013 |
| First mortgages secured by: | | | | |
| Rego Park I shopping center (100% cash collateralized) | Mar. 2015 | 0.40 % | \$ 78,246 | \$ 78,246 |
| 731 Lexington Avenue, retail space ⁽²⁾ | Jul. 2015 | 4.93 % | 320,000 | 320,000 |
| Paramus | Oct. 2018 | 2.90 % | 68,000 | 68,000 |
| Rego Park II shopping center ⁽³⁾ | Nov. 2018 | 2.00 % | 268,776 | 269,496 |
| 731 Lexington Avenue, office space | Mar. 2021 | 1.11 % | 300,000 | 314,217 |
| | | | \$ 1,035,022 | \$ 1,049,959 |

(1) Represents the extended maturity where we have the unilateral right to extend.

(2) This loan is non-recourse to us, except for \$75,000 in the event of a substantial casualty, as defined.

(3) This loan bears interest at LIBOR plus 1.85%.

9. Fair Value Measurements

ASC 820, *Fair Value Measurement and Disclosures* defines fair value and establishes a framework for measuring fair value. ASC 820 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels: Level 1 – quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities; Level 2 – observable prices that are based on inputs not quoted in active markets, but corroborated by market data; and Level 3 – unobservable inputs that are used when little or no market data is available. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as consider counterparty credit risk in our assessment of fair value.

Financial Assets and Liabilities Measured at Fair Value

Financial assets measured at fair value on our consolidated balance sheets at March 31, 2014 and December 31, 2013, consist of marketable securities and an interest rate cap, which are presented in the table below, based on their level in the fair value hierarchy. There were no financial liabilities measured at fair value at March 31, 2014 and December 31, 2013.

| (Amounts in thousands) | Total | As of March 31, 2014 | | |
|--|------------------|--------------------------------|----------------|----------------|
| | | Level 1 | Level 2 | Level 3 |
| Marketable securities | \$ 33,363 | \$ 33,363 | \$ - | \$ - |
| Interest rate cap (included in other assets) | 242 | - | 242 | - |
| Total assets | \$ 33,605 | \$ 33,363 | \$ 242 | \$ - |
| | | As of December 31, 2013 | | |
| (Amounts in thousands) | Total | Level 1 | Level 2 | Level 3 |
| Marketable securities | \$ 31,522 | \$ 31,522 | \$ - | \$ - |

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

9. Fair Value Measurements – continued*Financial Assets and Liabilities not Measured at Fair Value*

Financial assets and liabilities that are not measured at fair value on our consolidated balance sheets include cash equivalents, mortgages payable and leasing commissions due to Vornado. Cash equivalents are carried at cost, which approximates fair value due to their short-term maturities. The fair value of our mortgages payable is calculated by discounting the future contractual cash flows of these instruments using current risk-adjusted rates available to borrowers with similar credit ratings, which are provided by a third-party specialist. The leasing commissions due to Vornado are carried at cost plus interest at variable rates, which approximate fair value. The fair value of cash equivalents is classified as Level 1 and the fair value of mortgages payable and leasing commissions due to Vornado is classified as Level 2. The table below summarizes the carrying amounts and fair value of these financial instruments as of March 31, 2014 and December 31, 2013.

| (Amounts in thousands) | As of March 31, 2014 | | As of December 31, 2013 | |
|--|----------------------|--------------|-------------------------|--------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Assets: | | | | |
| Cash equivalents | \$ 341,294 | \$ 341,294 | \$ 184,796 | \$ 184,796 |
| Liabilities: | | | | |
| Mortgages payable | \$ 1,035,022 | \$ 1,055,000 | \$ 1,049,959 | \$ 1,072,000 |
| Leasing commissions (included in Amounts due to Vornado) | 42,102 | 42,000 | 42,924 | 43,000 |
| | \$ 1,077,124 | \$ 1,097,000 | \$ 1,092,883 | \$ 1,115,000 |

10. Commitments and Contingencies

Insurance

We maintain general liability insurance with limits of \$300,000,000 per occurrence and all-risk property and rental value insurance coverage with limits of \$1.7 billion per occurrence, including coverage for acts of terrorism, with sub-limits for certain perils such as floods and earthquakes on each of our properties.

Fifty Ninth Street Insurance Company, LLC (“FNSIC”), our wholly owned consolidated subsidiary, acts as a direct insurer for coverage for acts of terrorism, including nuclear, biological, chemical and radiological (“NBCR”) acts, as defined by the Terrorism Risk Insurance Program Reauthorization Act of 2007, which expires in December 2014. Coverage for acts of terrorism (including NBCR acts) is up to \$1.7 billion per occurrence and in the aggregate. Coverage for acts of terrorism (excluding NBCR acts) is fully reinsured by third party insurance companies with no exposure to FNSIC. For NBCR acts, FNSIC is responsible for a \$275,000 deductible and 15% of the balance of a covered loss and the Federal government is responsible for the remaining 85% of a covered loss. We are ultimately responsible for any loss incurred by FNSIC.

We continue to monitor the state of the insurance market and the scope and costs of coverage for acts of terrorism. However, we cannot anticipate what coverage will be available on commercially reasonable terms in the future. We are responsible for deductibles and losses in excess of our insurance coverage, which could be material.

Our mortgage loans are non-recourse to us, except for \$75,000,000 of the \$320,000,000 mortgage on our 731 Lexington Avenue property, in the event of a substantial casualty, as defined. Our mortgage loans contain customary covenants requiring us to maintain insurance. Although we believe that we have adequate insurance coverage for purposes of these agreements, we may not be able to obtain an equivalent amount of coverage at reasonable costs in the future. If lenders insist on greater coverage than we are able to obtain, it could adversely affect our ability to finance our properties.

ALEXANDER'S, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

10. Commitments and Contingencies – continued

Flushing Property

In 2002, Flushing Expo, Inc. (“Expo”) agreed to purchase the stock of the entity which owns the Flushing property from us (“Purchase of the Property”) and gave us a non-refundable deposit of \$1,875,000. Pursuant to a stipulation of settlement, we settled the action Expo brought against us regarding the Purchase of the Property and in June 2011, deposited the settlement amount with the Court, in exchange for which we received a stipulation of discontinuance, with prejudice, as well as general releases. In November 2011, Expo filed another action, this time against our tenant at the Flushing property asserting, among other things, that such tenant interfered with Expo’s Purchase of the Property from us and sought \$50,000,000 in damages from our tenant, who sought indemnification from us for such amount. In August 2012, the Court entered judgment denying Expo’s claim for damages. Expo filed a motion to re-argue the decision, which the Court denied on December 7, 2012. Expo appealed the Court’s August 2012 decision, which the Court denied on April 16, 2014.

Paramus

In 2001, we leased 30.3 acres of land located in Paramus, New Jersey to IKEA Property, Inc. The lease has a purchase option in 2021 for \$75,000,000. The property is encumbered by a \$68,000,000 interest-only mortgage loan with a fixed rate of 2.90%, which matures in October 2018. The annual triple-net rent is the sum of \$700,000 plus the amount of debt service on the mortgage loan. If the purchase option is exercised, we will receive net cash proceeds of approximately \$7,000,000 and recognize a gain on sale of land of approximately \$60,000,000. If the purchase option is not exercised, the triple-net rent for the last 20 years would include debt service sufficient to fully amortize \$68,000,000 over the remaining 20-year lease term.

Letters of Credit

Approximately \$3,308,000 of standby letters of credit were outstanding as of March 31, 2014.

Other

There are various other legal actions against us in the ordinary course of business. In our opinion, the outcome of such matters in the aggregate will not have a material effect on our financial condition, results of operations or cash flows.

11. Earnings Per Share

The following table sets forth the computation of basic and diluted income per share, including a reconciliation of net income and the number of shares used in computing basic and diluted income per share. Basic income per share is determined using the weighted average shares of common stock (including DSUs) outstanding during the period. Diluted income per share is determined using the weighted average shares of common stock (including DSUs) outstanding during the period, and assumes all potentially dilutive securities were converted into common shares at the earliest date possible. There were no potentially dilutive securities outstanding during the three months ended March 31, 2014 and 2013.

| (Amounts in thousands, except share and per share amounts) | Three Months Ended | |
|--|---------------------------|-------------|
| | March 31, | |
| | 2014 | 2013 |
| Net income | \$ 15,244 | \$ 14,162 |
| Weighted average shares outstanding – basic and diluted | 5,109,717 | 5,108,016 |
| Net income per common share – basic and diluted | \$ 2.98 | \$ 2.77 |

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of

Alexander's, Inc.

Paramus, New Jersey

We have reviewed the accompanying consolidated balance sheet of Alexander's, Inc. and subsidiaries (the "Company") as of March 31, 2014, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2014 and 2013. These interim financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to such consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Alexander's, Inc. and subsidiaries as of December 31, 2013, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended (not presented herein); and in our report dated February 24, 2014, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2013 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ DELOITTE & TOUCHE LLP

Parsippany, New Jersey
May 5, 2014

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements contained in this Quarterly Report 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 future performance. They involve risks, uncertainties and assumptions. Our future results, financial condition, results of operations 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," "intends," "plans," "would," "may" or other similar words in this Quarterly Report on Form 10-Q. These forward-looking statements represent our intentions, plans, expectations and beliefs and are subject to numerous assumptions, risks and uncertainties. Many of the factors that will determine these items are beyond our ability to control or predict. For a further discussion of factors that could materially affect the outcome of our forward-looking statements, see "Item 1A - Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2013. 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 the forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q or the date of any document incorporated by reference. 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 after the date of this Quarterly Report on Form 10-Q.

Management's Discussion and Analysis of Financial Condition and Results of Operations include a discussion of our consolidated financial statements for the three months ended March 31, 2014 and 2013. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. The results of operations for the three months ended March 31, 2014 are not necessarily indicative of the operating results for the full year. Certain prior year balances have been reclassified in order to conform to current year presentation.

Critical Accounting Policies

A summary of our critical accounting policies is included in our Annual Report on Form 10-K for the year ended December 31, 2013 in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Note 2 – Summary of Significant Accounting Policies" to the consolidated financial statements included therein. There have been no significant changes to these policies during 2014.

Overview

Alexander's, Inc. (NYSE: ALX) is a real estate investment trust ("REIT"), incorporated in Delaware, engaged in leasing, managing, developing and redeveloping its properties. All references to "we," "us," "our," "Company," and "Alexander's", refer to Alexander's, Inc. and its consolidated subsidiaries. We are managed by, and our properties are leased and developed by, Vornado Realty Trust ("Vornado") (NYSE: VNO). We have six properties in the greater New York City metropolitan area.

We compete with a large number of property owners and developers. Our success depends upon, among other factors, trends of national and local economies, the financial condition and operating results of current and prospective tenants, the availability and cost of capital, interest rates, construction and renovation costs, taxes, governmental regulations and legislation, population trends, zoning laws, and our ability to lease, sublease or sell our properties, at profitable levels. Our success is also subject to our ability to refinance existing debt on acceptable terms as it comes due.

Quarter Ended March 31, 2014 Financial Results Summary

Net income for the quarter ended March 31, 2014 was \$15,244,000, or \$2.98 per diluted share, compared to \$14,162,000, or \$2.77 per diluted share for the quarter ended March 31, 2013. Funds from operations ("FFO") for the quarter ended March 31, 2014 was \$22,474,000, or \$4.40 per diluted share, compared to \$21,339,000, or \$4.18 per diluted share for the prior year's quarter.

Square Footage and Occupancy

As of March 31, 2014 and December 31, 2013, our portfolio was comprised of six properties aggregating 2,178,000 square feet that had an occupancy rate of 99.4%.

Financing

On February 28, 2014, we completed a \$300,000,000 refinancing of the office portion of 731 Lexington Avenue. The interest-only loan is at LIBOR plus 0.95% (1.11% at March 31, 2014) and matures in March 2017, with four one-year extension options. The proceeds of the new loan and existing cash were used to repay the existing \$312,000,000 5.33% fixed-rate loan and closing costs. In connection therewith, we purchased an interest rate cap with a notional amount of \$300,000,000 that caps LIBOR at a rate of 6.0%.

Significant Tenants

Bloomberg L.P. (“Bloomberg”) accounted for \$22,017,000 and \$21,802,000, representing 45% of our total revenues in each of the three-month periods ended March 31, 2014 and 2013, respectively. No other tenant accounted for more than 10% of our total revenues. If we were to lose Bloomberg as a tenant, or if Bloomberg were to fail or become unable to fulfill its obligations under its lease, it would adversely affect our results of operations and financial condition. We receive and evaluate certain confidential financial information and metrics from Bloomberg on a semi-annual basis. In addition, we access and evaluate financial information regarding Bloomberg from private sources, as well as publicly available data.

Results of Operations – Three Months Ended March 31, 2014, compared to March 31, 2013

Property Rentals

Property rentals were \$34,136,000 in the quarter ended March 31, 2014, compared to \$34,171,000 in the prior year's quarter, a decrease of \$35,000.

Expense Reimbursements

Tenant expense reimbursements were \$15,332,000 in the quarter ended March 31, 2014, compared to \$14,604,000 in the prior year's quarter, an increase of \$728,000. This increase was primarily due to higher real estate taxes.

Operating Expenses

Operating expenses were \$16,490,000 in the quarter ended March 31, 2014, compared to \$15,607,000 in the prior year's quarter, an increase of \$883,000. This increase was primarily due to higher real estate taxes.

Depreciation and Amortization

Depreciation and amortization was \$7,261,000 in the quarter ended March 31, 2014, compared to \$7,223,000 in the prior year's quarter, an increase of \$38,000.

General and Administrative Expenses

General and administrative expenses were \$1,187,000 in the quarter ended March 31, 2014, compared to \$1,017,000 in the prior year's quarter, an increase of \$170,000. This increase was primarily due to higher professional fees.

Interest and Other Income, net

Interest and other income, net was \$401,000 in the quarter ended March 31, 2014, compared to \$385,000 in the prior year's quarter, an increase of \$16,000.

Interest and Debt Expense

Interest and debt expense was \$9,684,000 in the quarter ended March 31, 2014, compared to \$11,148,000 in the prior year's quarter, a decrease of \$1,464,000. This decrease was primarily due to savings resulting from the refinancing of the office portion of 731 Lexington Avenue on February 28, 2014.

Income Tax Expense

Income tax expense was \$3,000 in each of the quarters ended March 31, 2014 and 2013.

Liquidity and Capital Resources

Cash Flows

Property rental income is our primary source of cash flow and is dependent on a number of factors including the occupancy level and rental rates of our properties, as well as our tenants' ability to pay their rents. Our properties provide us with a relatively consistent stream of cash flow that enables us to pay our operating expenses, interest expense, recurring capital expenditures and cash dividends to stockholders. Other sources of liquidity to fund cash requirements include our existing cash, proceeds from financings, including mortgage or construction loans secured by our properties and proceeds from asset sales. We anticipate that cash flows from continuing operations over the next twelve months, together with existing cash balances, will be adequate to fund our business operations, cash dividends to stockholders, debt amortization, recurring capital expenditures and development expenditures related to the Rego Park II apartment tower.

We have no debt maturing in 2014. In 2015, \$398,246,000 of our debt, of which \$78,246,000 is cash collateralized, is scheduled to mature. We may refinance our maturing debt as it comes due or choose to repay it at maturity.

Development Project

We have commenced the construction of an apartment tower that will contain approximately 300 units aggregating 250,000 square feet, above our Rego Park II shopping center, which is expected to be completed in 2015. The estimated cost of this project is approximately \$125,000,000, of which \$4,109,000 has been incurred as of March 31, 2014. There can be no assurance that the project will be completed on schedule, or within budget.

Three Months Ended March 31, 2014

Cash and cash equivalents were \$355,328,000 at March 31, 2014, compared to \$347,718,000 at December 31, 2013, an increase of \$7,610,000. This increase resulted from \$40,311,000 of net cash provided by operating activities and \$3,066,000 of net cash provided by investing activities, partially offset by \$35,767,000 of net cash used in financing activities.

Net cash provided by operating activities of \$40,311,000 was comprised of net income of \$15,244,000, adjustments for non-cash items of \$7,257,000 and the net change in operating assets and liabilities of \$17,810,000. The adjustments for non-cash items were comprised of depreciation and amortization of \$7,898,000, partially offset by the straight-lining of rental income of \$641,000.

Net cash provided by investing activities of \$3,066,000 was comprised of a decrease in restricted cash of \$4,510,000, partially offset by capital expenditures of \$1,444,000 (primarily Rego Park II apartment tower).

Net cash used in financing activities of \$35,767,000 was primarily comprised of (i) debt repayments of \$314,937,000 (primarily repayment of the loan on the office portion of 731 Lexington Avenue) and (ii) dividends paid on common stock of \$16,607,000, partially offset by (iii) \$300,000,000 of proceeds from the refinancing of the office portion of 731 Lexington Avenue.

Three Months Ended March 31, 2013

Cash and cash equivalents were \$368,508,000 at March 31, 2013, compared to \$353,396,000 at December 31, 2012, an increase of \$15,112,000. This increase resulted from \$33,552,000 of net cash provided by operating activities, partially offset by \$18,092,000 of net cash used in financing activities and \$348,000 of net cash used in investing activities.

Net cash provided by operating activities of \$33,552,000 was comprised of net income of \$14,162,000, the net change in operating assets and liabilities of \$12,518,000 and adjustments for non-cash items of \$6,872,000. The net change in operating assets and liabilities was primarily due to amortization of prepaid real estate taxes of \$8,478,000. The adjustments for non-cash items were comprised of depreciation and amortization of \$7,821,000, partially offset by straight-lining of rental income of \$949,000.

Net cash used in investing activities of \$348,000 was comprised of capital expenditures of \$1,267,000 (primarily Rego Park II), partially offset by a decrease in restricted cash of \$919,000.

Net cash used in financing activities of \$18,092,000 was primarily comprised of dividends paid on common stock of \$14,047,000 and debt repayments of \$3,963,000.

Liquidity and Capital Resources – continued

Commitments and Contingencies

Insurance

We maintain general liability insurance with limits of \$300,000,000 per occurrence and all-risk property and rental value insurance coverage with limits of \$1.7 billion per occurrence, including coverage for acts of terrorism, with sub-limits for certain perils such as floods and earthquakes on each of our properties.

Fifty Ninth Street Insurance Company, LLC (“FNSIC”), our wholly owned consolidated subsidiary, acts as a direct insurer for coverage for acts of terrorism, including nuclear, biological, chemical and radiological (“NBCR”) acts, as defined by the Terrorism Risk Insurance Program Reauthorization Act of 2007, which expires in December 2014. Coverage for acts of terrorism (including NBCR acts) is up to \$1.7 billion per occurrence and in the aggregate. Coverage for acts of terrorism (excluding NBCR acts) is fully reinsured by third party insurance companies with no exposure to FNSIC. For NBCR acts, FNSIC is responsible for a \$275,000 deductible and 15% of the balance of a covered loss and the Federal government is responsible for the remaining 85% of a covered loss. We are ultimately responsible for any loss incurred by FNSIC.

We continue to monitor the state of the insurance market and the scope and costs of coverage for acts of terrorism. However, we cannot anticipate what coverage will be available on commercially reasonable terms in the future. We are responsible for deductibles and losses in excess of our insurance coverage, which could be material.

Our mortgage loans are non-recourse to us, except for \$75,000,000 of the \$320,000,000 mortgage on our 731 Lexington Avenue property, in the event of a substantial casualty, as defined. Our mortgage loans contain customary covenants requiring us to maintain insurance. Although we believe that we have adequate insurance coverage for purposes of these agreements, we may not be able to obtain an equivalent amount of coverage at reasonable costs in the future. If lenders insist on greater coverage than we are able to obtain, it could adversely affect our ability to finance our properties.

Flushing Property

In 2002, Flushing Expo, Inc. (“Expo”) agreed to purchase the stock of the entity which owns the Flushing property from us (“Purchase of the Property”) and gave us a non-refundable deposit of \$1,875,000. Pursuant to a stipulation of settlement, we settled the action Expo brought against us regarding the Purchase of the Property and in June 2011,

deposited the settlement amount with the Court, in exchange for which we received a stipulation of discontinuance, with prejudice, as well as general releases. In November 2011, Expo filed another action, this time against our tenant at the Flushing property asserting, among other things, that such tenant interfered with Expo's Purchase of the Property from us and sought \$50,000,000 in damages from our tenant, who sought indemnification from us for such amount. In August 2012, the Court entered judgment denying Expo's claim for damages. Expo filed a motion to re-argue the decision, which the Court denied on December 7, 2012. Expo appealed the Court's August 2012 decision, which the Court denied on April 16, 2014.

Paramus

In 2001, we leased 30.3 acres of land located in Paramus, New Jersey to IKEA Property, Inc. The lease has a purchase option in 2021 for \$75,000,000. The property is encumbered by a \$68,000,000 interest-only mortgage loan with a fixed rate of 2.90%, which matures in October 2018. The annual triple-net rent is the sum of \$700,000 plus the amount of debt service on the mortgage loan. If the purchase option is exercised, we will receive net cash proceeds of approximately \$7,000,000 and recognize a gain on sale of land of approximately \$60,000,000. If the purchase option is not exercised, the triple-net rent for the last 20 years would include debt service sufficient to fully amortize \$68,000,000 over the remaining 20-year lease term.

Letters of Credit

Approximately \$3,308,000 of standby letters of credit were outstanding as of March 31, 2014.

Other

There are various other legal actions against us in the ordinary course of business. In our opinion, the outcome of such matters in the aggregate will not have a material effect on our financial condition, results of operations or cash flows.

Funds from Operations (“FFO”)

FFO is computed in accordance with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts (“NAREIT”). NAREIT defines FFO as GAAP net income or loss adjusted to exclude net gains from sales of depreciated real estate assets, real estate impairment losses, depreciation and amortization expense from real estate assets, extraordinary items and other specified non-cash items, including the pro rata share of such adjustments of unconsolidated subsidiaries. FFO and FFO per diluted share are used by management, investors and analysts to facilitate meaningful comparisons of operating performance between periods and among our peers because it excludes the effect of real estate depreciation and amortization and net gains on sales, which are based on historical costs and implicitly assume that the value of real estate diminishes predictably over time, rather than fluctuating based on existing market conditions. FFO does not represent cash generated from operating activities and is not necessarily indicative of cash available to fund cash requirements and should not be considered as an alternative to net income as a performance measure or cash flow as a liquidity measure. FFO may not be comparable to similarly titled measures employed by other companies. A reconciliation of our net income to FFO is provided below.

FFO for the Quarters Ended March 31, 2014 and 2013

FFO for the quarter ended March 31, 2014 was \$22,474,000, or \$4.40 per diluted share, compared to \$21,339,000, or \$4.18 per diluted share for prior year’s quarter.

The following table reconciles our net income to FFO:

| (Amounts in thousands, except share and per share amounts) | Three Months Ended | |
|---|---------------------------|-------------|
| | March 31, | |
| | 2014 | 2013 |
| Net income | \$ 15,244 | \$ 14,162 |
| Depreciation and amortization of real property | 7,230 | 7,177 |
| FFO | \$ 22,474 | \$ 21,339 |
| FFO per diluted share | \$ 4.40 | \$ 4.18 |
| Weighted average shares used in computing FFO per diluted share | 5,109,717 | 5,108,016 |

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Item 3. Quantitative and Qualitative Disclosures About Market Risk

We have exposure to fluctuations in interest rates, which are sensitive to many factors that are beyond our control. Our exposure to a change in interest rates is summarized in the table below.

| (Amounts in thousands, except per share amounts) | March 31, Balance | 2014 | Effect of 1% Change in Base Rates | December 31, Balance | 2013 |
|--|----------------------|---|--|-------------------------|---|
| | | Weighted Average Interest Rate | | | Weighted Average Interest Rate |
| Variable Rate (including \$42,102 and \$42,924 due to Vornado, respectively) | \$ 610,878 | 1.53% | \$ 6,109 | \$ 312,420 | 2.00% |
| Fixed Rate | 466,246 | 3.87% | - | 780,463 | 4.46% |
| | \$ 1,077,124 | | \$ 6,109 | \$ 1,092,883 | |
| Total effect on diluted earnings per share | | | \$ 1.20 | | |

As of March 31, 2014, we have an interest rate cap with a notional amount of \$300,000,000 that caps LIBOR at a rate of 6.0%.

Fair Value of Debt

The fair value of our consolidated debt is calculated by discounting the future contractual cash flows of these instruments using current risk-adjusted rates available to borrowers with similar credit ratings, which are provided by a third-party specialist. As of March 31, 2014 and December 31, 2013, the estimated fair value of our consolidated debt was \$1,097,000,000 and \$1,115,000,000, respectively. Our fair value estimates, which are made at the end of the reporting period, may be different from the amounts that may ultimately be realized upon the disposition of our financial instruments.

Item 4. Controls and Procedures

(a) Disclosure Controls and Procedures: Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, our disclosure controls and procedures are effective.

(b) Internal Control Over Financial Reporting: There have not been any changes in our internal control over financial reporting during the fiscal quarter to which this Quarterly Report on Form 10-Q relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are from time to time involved in legal actions arising in the ordinary course of business. In our opinion, the outcome of such matters in the aggregate will not have a material effect on our financial condition, results of operations or cash flows.

Item 1A. Risk Factors

There have been no material changes in our “Risk Factors” as previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2013.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibits required by Item 601 of Regulation S-K are filed herewith and are listed in the attached Exhibit Index.

SIGNATURES

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 thereunto duly authorized.

ALEXANDER'S, INC.

(Registrant)

Date: May 5, 2014

By: /s/ Joseph Macnow
Joseph Macnow, Executive Vice President and
Chief Financial Officer (duly authorized officer and
principal financial and accounting officer)

EXHIBIT INDEX

**Exhibit
No.**

- | | | |
|-------|---|---|
| 10.1 | - | Loan Agreement, dated as of February 28, 2014, by and between 731 Office One LLC, as Borrower, and German American Capital Corporation, as Lender |
| 10.2 | - | Consolidated, Amended and Restated Promissory Note, dated as of February 28, 2014, by and between 731 Office One LLC, as Borrower, and German American Capital Corporation, as Lender |
| 10.3 | - | Amended and Restated Mortgage, Assignment of Leases and Rents and Security Agreement, dated as of February 28, 2014, by and between 731 Office One LLC, as Mortgagor, and German American Capital Corporation, as Mortgagee |
| 10.4 | - | Assignment of Leases and Rents dated as of February 28, 2014, by and between 731 Office One LLC, as Assignor, and German American Capital Corporation, as Assignee |
| 10.5 | - | Guaranty of Recourse Obligations dated as of February 28, 2014, by and between Alexander's, Inc., as Guarantor, and German American Capital Corporation, as Lender |
| 10.6 | - | Environmental Indemnity Agreement dated as of February 28, 2014, by and between 731 Office One LLC, as Indemnitor, and German American Capital Corporation, as Indemnitee |
| 10.7 | - | Termination Agreement dated as of February 28, 2014, by and among 731 Office One LLC, Alexander's Management LLC, Vornado Realty L.P., 731 Office Two LLC, 731 Residential LLC, 731 Commercial LLC, 731 Retail One LLC and 731 Restaurant LLC |
| 10.8 | - | Real Estate Sub-Retention Agreement dated as of February 28, 2014, by and between Alexander's Management LLC, as Agent, and Vornado Realty L.P., as Sub-Agent |
| 10.9 | - | Sixth Amendment to Amended and Restated Management and Development Agreement, dated as of March 21, 2014, by and between Alexander's, Inc., the subsidiaries party thereto and Vornado Management Corp |
| 10.10 | - | Rego Park II Residential Management and Development Agreement, dated as of March 21, 2014 by and between |

| | | |
|------|---|---|
| | | Alexander's of Rego Residential LLC and Vornado Management Corp |
| 15.1 | - | Letter regarding unaudited interim financial information |
| 31.1 | - | Rule 13a-14 (a) Certification of the Chief Executive Officer |
| 31.2 | - | Rule 13a-14 (a) Certification of the Chief Financial Officer |
| 32.1 | - | Section 1350 Certification of the Chief Executive Officer |
| 32.2 | - | Section 1350 Certification of the Chief Financial Officer |

| | | |
|---------|---|---|
| 101.INS | - | XBRL Instance Document |
| 101.SCH | - | XBRL Taxonomy Extension Schema |
| 101.CAL | - | XBRL Taxonomy Extension Calculation Linkbase |
| 101.DEF | - | XBRL Taxonomy Extension Definition Linkbase |
| 101.LAB | - | XBRL Taxonomy Extension Label Linkbase |
| 101.PRE | - | XBRL Taxonomy Extension Presentation Linkbase |