

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

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

For the Fiscal Year Ended: December 31, 2020

OR

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

For the transition period from  
Commission File Number:

to

001-06064

**ALEXANDERS INC**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

**210 Route 4 East, Paramus, New Jersey**

(Address of principal executive offices)

51-0100517

(IRS Employer Identification No.)

**07652**

(Zip Code)

Registrant's telephone number, including area code

(201) 587-8541

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$1 par value per share	ALX	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15 (d) of the Act.

Yes  No

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 every Interactive Data File required to be submitted 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 such files).

Yes  No

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

Large Accelerated Filer

Non-Accelerated Filer

Accelerated Filer

Smaller Reporting Company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Yes  No

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

The aggregate market value of the voting and non-voting shares of common stock held by non-affiliates of the registrant, (i.e., by persons other than officers and directors of Alexander’s, Inc.) was \$511,231,000 at June 30, 2020.

As of January 31, 2021, there were 5,107,290 shares of the registrant’s common stock outstanding.

#### DOCUMENTS INCORPORATED BY REFERENCE

**Part III:** Portions of the Proxy Statement for the Annual Meeting of Stockholders to be held on May 20, 2021.

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(1) These items are omitted in part or in whole because the registrant will file a definitive Proxy Statement pursuant to Regulation 14A under the Securities Exchange Act of 1934 with the Securities and Exchange Commission no later than 120 days after December 31, 2020, portions of which are incorporated by reference herein.

## FORWARD-LOOKING STATEMENTS

Certain statements contained herein 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 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,” “intends,” “plans,” “would,” “may” or other similar expressions in this Annual Report on Form 10-K. We also note the following forward-looking statements: in the case of our development projects, the estimated completion date, estimated project costs and costs to complete; and estimates of dividends on shares of our common stock. 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 a further discussion of factors that could materially affect the outcome of our forward-looking statements, see “Item 1A - Risk Factors” in this Annual Report on Form 10-K.

Currently, one of the most significant factors is the ongoing adverse effect of the COVID-19 pandemic on our business, financial condition, results of operations, cash flows, operating performance and the effect it has had and may continue to have on our tenants, the global, national, regional and local economies and financial markets and the real estate market in general. The extent of the impact of the COVID-19 pandemic will depend on future developments, including the duration of the pandemic, which are highly uncertain at this time, but that impact could be material. Moreover, you are cautioned that the COVID-19 pandemic will heighten many of the risks identified in “Item 1A. – Risk Factors” in this Annual Report on Form 10-K.

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 Annual Report on Form 10-K 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 occurring after the date of this Annual Report on Form 10-K.

## PART I

### ITEM 1. BUSINESS

#### General

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 seven properties in the greater New York City metropolitan area consisting of:

#### Operating properties

- 731 Lexington Avenue, a 1,323,000 square foot multi-use building, comprising the entire block bounded by Lexington Avenue, East 59<sup>th</sup> Street, Third Avenue and East 58<sup>th</sup> Street in Manhattan. The building contains 920,000 and 155,000 of net rentable square feet of office and retail space, respectively, which we own, and 248,000 square feet of residential space consisting of 105 condominium units, which we sold. Bloomberg L.P. ("Bloomberg") occupies all of the office space. The Home Depot (83,000 square feet) is the principal retail tenant;
- Rego Park I, a 338,000 square foot shopping center, located on Queens Boulevard and 63<sup>rd</sup> Road in Queens. The center is anchored by a 112,000 square foot IKEA, a 50,000 square foot Burlington, a 46,000 square foot Bed Bath & Beyond and a 36,000 square foot Marshalls;
- Rego Park II, a 609,000 square foot shopping center, adjacent to the Rego Park I shopping center in Queens. The center is anchored by a 145,000 square foot Costco and a 133,000 square foot Kohl's, which has been subleased. On September 10, 2020, Century 21 (\$6,400,000 of annual revenue) filed for Chapter 11 bankruptcy and closed its 135,000 square foot store on December 7, 2020;
- The Alexander apartment tower, located above our Rego Park II shopping center, contains 312 units aggregating 255,000 square feet;
- Paramus, located at the intersection of Routes 4 and 17 in Paramus, New Jersey, consists of 30.3 acres of land that is ground leased to IKEA; and
- Flushing, a 167,000 square foot building, located on Roosevelt Avenue and Main Street in Queens, that is sub-leased to New World Mall LLC for the remainder of our ground lease term.

#### Property to be developed

- Rego Park III, a 140,000 square foot land parcel adjacent to the Rego Park II shopping center in Queens, at the intersection of Junction Boulevard and the Horace Harding Service Road.

#### Relationship with Vornado

We are managed by, and our properties are leased and developed by, Vornado, pursuant to various agreements which expire in March of each year and are automatically renewable. Vornado is a fully-integrated REIT with significant experience in managing, leasing, developing, and operating office and retail properties.

As of December 31, 2020, Vornado owned 32.4% of our outstanding common stock. Steven Roth is the Chairman of our Board of Directors and Chief Executive Officer, the Managing General Partner of Interstate Properties ("Interstate"), a New Jersey general partnership, and the Chairman of the Board of Trustees and Chief Executive Officer of Vornado. As of December 31, 2020, Mr. Roth, Interstate and its other two general partners, David Mandelbaum and Russell B. Wight, Jr. (who are also directors of the Company and trustees of Vornado) owned, in the aggregate, 26.1% of our outstanding common stock, in addition to the 2.3% they indirectly own through Vornado. Matthew Iocco, our Chief Financial Officer, is the Executive Vice President - Chief Accounting Officer of Vornado.

## **Significant Tenant**

Bloomberg accounted for revenue of \$109,066,000, \$109,113,000 and \$107,356,000 in the years ended December 31, 2020, 2019, and 2018, respectively, representing approximately 55%, 48% and 46% of our total revenues in each year, 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 be unable to fulfill its obligations under its lease, it would adversely affect our results of operations and financial condition. In order to assist us in our continuing assessment of Bloomberg's creditworthiness, we receive certain confidential financial information and metrics from Bloomberg. In addition, we access and evaluate financial information regarding Bloomberg from other private sources, as well as publicly available data.

## **Competition**

We operate in a highly competitive environment. All of our properties are located in the greater New York City metropolitan area. We compete with a large number of real estate investors, property owners and developers. Principal factors of competition are rents charged, attractiveness of location, the quality of the property and the breadth and the quality of services provided. Our success depends upon, among other factors, trends of the global, national and local economies, the financial condition and operating results of current and prospective tenants and customers, the availability and cost of capital, construction and renovation costs, taxes, governmental regulations, legislation, population and employment 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.

## **Human Capital Resources**

Since we are externally managed by Vornado, we do not have separate employees that provide management, leasing and development services. We currently have 70 property-level employees who provide cleaning, engineering and security services. Our employees are managed by Vornado in accordance with its employee policies and they have access to Vornado's benefits, training and other programs.

## **Executive Office**

Our executive office is located at 210 Route 4 East, Paramus, New Jersey, 07652 and our telephone number is (201) 587-8541.

## **Available Information**

Copies of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports, as well as Reports on Forms 3, 4 and 5 regarding officers, directors, and 10% beneficial owners filed or furnished pursuant to Section 13(a), 15(d) or 16(a) of the Securities Exchange Act of 1934, are available free of charge on our website ([www.alx-inc.com](http://www.alx-inc.com)) as soon as reasonably practicable after they are electronically filed with, or furnished to, the Securities and Exchange Commission ("SEC"). Also available on our website are copies of our Audit Committee Charter, Compensation Committee Charter, Code of Business Conduct and Ethics and Corporate Governance Guidelines. In the event of any changes to these items, revised copies will be made available on our website. Copies of these documents are also available directly from us, free of charge.

In May 2009, Vornado and Interstate each filed with the SEC an amendment to their respective Schedule 13D indicating that they, as a group, own 47.2% of our common stock. This ownership level, together with the shares owned by Messrs. Roth, Mandelbaum and Wight, makes us a "controlled" company for the purposes of the New York Stock Exchange, Inc.'s Corporate Governance Standards (the "NYSE Rules"). This means that we are not required to, among other things, have a majority of the members of our Board of Directors be independent under the NYSE Rules, have all of the members of our Compensation Committee be independent under the NYSE Rules or to have a Nominating Committee. While we have voluntarily complied with a majority of the independence requirements of the NYSE Rules, we are under no obligation to do so and this situation may change at any time.

## ITEM 1A. RISK FACTORS

Material factors that may adversely affect our business, operations and financial condition are summarized below. The risks and uncertainties described herein may not be the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, operations and financial condition. See “Forward-Looking Statements” contained herein on page 4.

### **RISKS RELATED TO OUR PROPERTIES AND INDUSTRY**

***Our business, financial condition, results of operations and cash flows have been and are expected to continue to be adversely affected by the recent COVID-19 pandemic and the impact could be material to us.***

Our business has been adversely affected by the ongoing COVID-19 pandemic. In March 2020, our “non-essential” retail tenants were ordered to temporarily close and although substantially all re-opened in the latter part of June 2020, there are limitations on occupancy and other restrictions that affect their ability to resume full operations and impact their financial health. In limited circumstances, we have agreed to and may continue to agree to rent deferrals and abatements for certain of our tenants.

Numerous Federal, state, local and industry-initiated efforts may also affect our ability to collect rent or enforce remedies for the failure to pay rent. Certain of our tenants may incur significant costs or losses as a result of the COVID-19 pandemic and/or incur other liabilities related to shelter-in-place orders, quarantines, infection or other related factors. Tenants that experience deteriorating financial conditions may be unwilling or unable to pay rent on a timely basis, or at all. Specifically, on September 10, 2020, Century 21, which leased 135,000 square feet at our Rego Park II shopping center, filed for Chapter 11 bankruptcy and closed its store on December 7, 2020.

The COVID-19 pandemic has also caused, and is likely to continue to cause, severe economic, market or other disruptions worldwide. Conditions in the bank lending, capital and other financial markets may deteriorate as a result of the pandemic, our access to capital and other sources of funding may become constrained and the ratios of our debt to asset values may deteriorate, which could adversely affect the availability and terms of future borrowings, renewals or refinancings. In addition, the deterioration of global, national, regional and local economic conditions as a result of the pandemic may ultimately decrease occupancy and/or rent levels across our portfolio as tenants reduce or defer their spending, which may result in less cash flow available for operating costs, to pay our indebtedness and for distribution to our stockholders and the impact could be material. In addition, the value of our real estate assets may decline, which may result in non-cash impairment charges in future periods and the impact could be material. The extent of the COVID-19 pandemic’s effect on our operational and financial performance will depend on future developments, including the duration, spread and intensity of the outbreak and governmental responses thereto, all of which are uncertain and difficult to predict. Due to the speed with which the situation is developing, we are not able at this time to estimate the ultimate effect of these factors on our business, but the adverse impact on our business, results of operations, financial condition and cash flows could be material.

***All of our properties are in the greater New York City metropolitan area and are affected by the economic cycles and risks inherent in that area.***

All of our revenues come from properties located in the greater New York City metropolitan area. Real estate markets are subject to economic downturns and we cannot predict how economic conditions will impact this market in either the short or long term. Recent declines in the economy and declines in the real estate market in this area, have hurt and could continue to hurt, our financial performance and the value of our properties. In addition to the factors affecting the national economic condition generally, the factors affecting economic conditions in this area include:

- financial performance and productivity of the media, advertising, professional services, financial, technology, retail, insurance and real estate industries;
- the impact of the COVID-19 pandemic;
- business layoffs or downsizing;
- industry slowdowns;
- relocations of businesses;
- changing demographics;
- increased telecommuting and use of alternative work places;
- changes in the number of domestic and international tourists to our markets (including as a result of changes in the relative strengths of world currencies);
- infrastructure quality;
- changes in the rates or treatment of the deductibility of state and local taxes; and
- any oversupply of, or reduced demand for, real estate.

It is impossible for us to predict the future or the effect of trends in the economic and investment climates of the greater New York City metropolitan region, and more generally of the United States, on the real estate market in this area. Local, national or global economic downturns could negatively affect our business and profitability.

***We may be adversely affected by trends in office real estate.***

Work from home, flexible work schedules, open workplaces and teleconferencing are becoming more common and are expected to accelerate as a result of the COVID-19 pandemic. These practices may enable businesses to reduce their office space requirements. There is also an increasing trend among some businesses to utilize shared office spaces and co-working spaces. A continuation of these trends could, over time, erode the overall demand for office space and, in turn, place downward pressure on occupancy, rental rates and property valuations.

***We are subject to risks that affect the general and New York City retail environments.***

Certain of our properties are New York City retail properties. As such, these properties are affected by the general and New York City retail environments, including the level of consumer spending and consumer confidence, New York City tourism, the threat of terrorism, the impact of the COVID-19 pandemic, increasing competition from on-line retailers, other retailers and outlet malls and the impact of technological change upon the retail environment generally. For a number of our tenants that operate retail businesses involving high contact interactions with their customers, the negative impact of the COVID-19 pandemic on their business has been particularly severe and the recovery more difficult, with customer traffic down significantly. Furthermore, it is unknowable whether consumers' retail habits will return to norms that existed prior to the COVID-19 pandemic. These factors could adversely affect the financial condition of our retail tenants, or result in the bankruptcy of such tenants, and the willingness of retailers to lease space in our retail locations, which could have an adverse effect on our business and profitability.

***Terrorist attacks may adversely affect the value of our properties and our ability to generate cash flow.***

All of our properties are located in the greater New York City metropolitan area, and our most significant property, 731 Lexington Avenue, is located on Lexington Avenue and 59<sup>th</sup> Street in Manhattan. In response to a terrorist attack or the perceived threat of terrorism, tenants in this area may choose to relocate their businesses to less populated, lower-profile areas of the United States that may be perceived to be less likely targets of future terrorist activity and fewer customers may choose to patronize businesses in this area. This, in turn, could trigger a decrease in the demand for space in these markets, which could increase vacancies in our properties and force us to lease our properties on less favorable terms. Furthermore, we may experience increased costs for security, equipment and personnel. As a result, the value of our properties and the level of our revenues could decline materially.



***Natural disasters and the effects of climate change could have a concentrated impact on the area which we operate and could adversely impact our results.***

Our investments are in the greater New York City metropolitan area and since they are concentrated along the Eastern Seaboard, natural disasters, including hurricanes, could cause significant damage to our properties and the surrounding environment or area. Potentially adverse consequences of “global warming,” including rising sea levels, could similarly have an impact on our properties and the economy of the greater New York City metropolitan area in which we operate. Government efforts to combat climate change may impact the cost of operating our properties and real estate in the New York City metropolitan area. Over time, these conditions could result in declining demand for office space in our buildings or the inability of us to operate the buildings at all. Climate change may also have indirect effects on our business by increasing the cost of (or making unavailable) property insurance on terms we find acceptable, increasing the cost of energy at our properties and requiring us to expend funds as we seek to repair and protect our properties against such risks. The incurrence of these losses, costs or business interruptions may adversely affect our operating and financial results.

***Our performance and the value of an investment in us are subject to risks associated with our real estate assets and with the real estate industry.***

The value of our real estate and the value of an investment in us fluctuates depending on conditions in the general economy and the real estate business. These conditions may also adversely impact our revenues and cash flows.

The factors that affect the value of our real estate include, among other things:

- global, national, regional and local economic conditions;
- the impact of the COVID-19 pandemic;
- competition from other available space;
- local conditions such as an oversupply of space or a reduction in demand for real estate in the area;
- how well we manage our properties;
- the development and/or redevelopment of our properties;
- changes in market rental rates;
- the timing and costs associated with property improvements and rentals;
- whether we are able to pass all or portions of any increases in operating costs through to tenants;
- political and regulatory conditions;
- changes in real estate taxes and other expenses;
- the ability of state and local governments to operate within their budgets;
- whether tenants and users such as customers and shoppers consider a property attractive;
- changes in consumer preferences adversely affecting retailers and retail store values;
- changes in space utilization by our tenants due to technology, economic conditions and business environment;
- the financial condition of our tenants, including the extent of tenant bankruptcies or defaults;
- consequences of any armed conflict involving, or terrorist attack against, the United States or individual acts of violence in public spaces;
- trends in office real estate;
- the impact on our retail tenants and demand for retail space at our properties due to increased competition from online shopping;
- availability of financing on acceptable terms or at all;
- inflation or deflation;
- fluctuations in interest rates;
- our ability to obtain adequate insurance;
- changes in zoning laws and taxation;
- government regulation;
- potential liability under environmental or other laws or regulations;
- natural disasters;
- general competitive factors; and
- climate changes.

The rents we receive and the occupancy levels at our properties may decline as a result of adverse changes in any of these factors. If our rental revenues and/or occupancy levels decline, we generally would expect to have less cash available for operating costs, to pay our indebtedness and for distribution to our stockholders. In addition, some of our major expenses, including mortgage payments, real estate taxes and maintenance costs generally do not decline when the related rents decline.

***Real estate is a competitive business and that competition may adversely impact us.***

We compete with a large number of real estate investors, property owners and developers, some of which may be willing to accept lower returns on their investments. Principal factors of competition are rents charged, attractiveness of location, the quality of the property and the breadth and the quality of services provided. Substantially all of our properties face competition from similar properties in the same market, which may adversely impact the rents we can charge at those properties and our results of operations.

***We depend on leasing space to tenants on economically favorable terms and collecting rent from tenants who may not be able to pay.***

Our financial results depend significantly on leasing space in our properties to tenants on economically favorable terms. In addition, because a majority of our income is derived from renting real property, our income, funds available to pay indebtedness and for distributions to stockholders will decrease if certain of our tenants cannot pay their rent or if we are not able to maintain our occupancy levels on favorable terms. If a tenant does not pay its rent, we might not be able to enforce our rights as landlord without delays and might incur substantial legal and other costs. As a result of the COVID-19 pandemic, Federal, state and local regulations and economic conditions have affected our ability to collect rent or enforce remedies for the failure to pay rent. Even if we are able to enforce our rights, a tenant may not have recoverable assets. Additionally, in limited circumstances, we have agreed and may continue to agree to rent deferrals and abatements for certain of our tenants.

***Bankruptcy or insolvency of tenants may decrease our revenues, net income and available cash.***

From time to time, some of our tenants have declared bankruptcy, and other tenants may declare bankruptcy or become insolvent in the future. On September 10, 2020, Century 21, which leased 135,000 square feet at our Rego Park II shopping center (\$6,400,000 of annual revenue), filed for Chapter 11 bankruptcy and closed its store on December 7, 2020. The bankruptcy or insolvency of a major tenant could cause us to suffer lower revenues and operational difficulties, including leasing the remainder of the property. As a result, the bankruptcy or insolvency of a major tenant or multiple tenants could result in decreased revenues, net income and funds available to pay our indebtedness or make distributions to stockholders.

***We depend upon anchor tenants to attract shoppers at our Rego Park I and II retail properties and decisions made by these tenants, or adverse developments in the businesses of these tenants, could materially affect our financial condition and results of operations.***

Our Rego Park I and II retail properties are anchored by well-known department stores and other tenants who generate shopping traffic. The value of these properties would be adversely affected if our anchor tenants failed to meet their contractual obligations, sought concessions in order to continue operations or ceased their operations, including as a result of bankruptcy. If the level of sales of stores operating in our properties were to decline significantly due to economic conditions, increased competition from online shopping, closing of anchors or for other reasons, tenants may be unable to pay their minimum rents or expense recovery charges. In the event of a default by a tenant or anchor, we may experience delays and costs in enforcing our rights as landlord. Additionally, closure of an anchor or major tenant could result in lease terminations by, or reductions of rent from, other tenants if the other tenants' leases have co-tenancy clauses. On September 10, 2020, Century 21, which leased 135,000 square feet at our Rego Park II shopping center (\$6,400,000 of annual revenue), filed for Chapter 11 bankruptcy and closed its store on December 7, 2020.

***We may be unable to renew leases or relet space as leases expire.***

When our tenants decide not to renew their leases upon their expiration, we may not be able to relet the space. Even if tenants do renew or we can relet the space, the terms of renewal or reletting, considering among other things, the cost of improvements to the property and leasing commissions, may be less favorable than the terms in the expired leases. In addition, changes in space utilization by our tenants may impact our ability to renew or relet space without the need to incur substantial costs in renovating or redesigning the internal configuration of the relevant property. If we are unable to promptly renew the leases or relet the space at similar rates or if we incur substantial costs in renewing or reletting the space, our cash flow and ability to service debt obligations and pay dividends and distributions to stockholders could be adversely affected.

***731 Lexington Avenue accounts for a substantial portion of our revenues. Loss of or damage to the building would adversely affect our financial condition and results of operations.***

731 Lexington Avenue accounted for revenue of \$137,718,000, \$153,797,000 and \$151,834,000 in the years ended December 31, 2020, 2019, and 2018, respectively, representing approximately 69%, 68% and 65% of our total revenues in each year, respectively. Loss of or damage to the building in excess of our insurance coverage, including as a result of a terrorist attack, would adversely affect our results of operations and financial condition.

***Bloomberg represents a significant portion of our revenues. Loss of Bloomberg as a tenant or deterioration in Bloomberg's credit quality could adversely affect our financial condition and results of operations.***

Bloomberg accounted for revenue of \$109,066,000, \$109,113,000 and \$107,356,000 in the years ended December 31, 2020, 2019, and 2018, respectively, representing approximately 55%, 48% and 46% of our total revenues in each year, 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 be unable to fulfill its obligations under its lease, it would adversely affect our results of operations and financial condition.

## **RISKS RELATED TO OUR OPERATIONS AND STRATEGIES**

***We may acquire, develop, or redevelop properties and this may create risks.***

Although our stated business strategy is not to engage in acquisitions, we may acquire, develop or redevelop properties when we believe that an acquisition, development or redevelopment project is otherwise consistent with our business strategy. We may not succeed in (i) developing, redeveloping or acquiring properties; (ii) completing these activities on time or within budget; and (iii) leasing or selling developed, redeveloped or acquired properties at amounts sufficient to cover our costs. Competition in these activities could also significantly increase our costs. Difficulties in integrating acquisitions may prove costly or time-consuming and could divert management's attention. Acquisitions, developments or redevelopments in new markets or types of properties where we do not have the same level of market knowledge may result in weaker than anticipated performance. We may also abandon acquisition, development or redevelopment opportunities that we have begun pursuing and consequently fail to recover expenses already incurred. Furthermore, we may be exposed to the liabilities of properties acquired, some of which we may not be aware of at the time of acquisition.

***We are exposed to risks associated with property redevelopment and repositioning that could adversely affect us, including our financial condition and results of operations.***

We continue to engage in redevelopment and repositioning activities with respect to our properties, and, accordingly, we are subject to certain risks, which could adversely affect us, including our financial condition and results of operations. These risks include, without limitation, (i) the availability and pricing of financing on favorable terms or at all; (ii) the availability and timely receipt of zoning and other regulatory approvals; (iii) the potential for the fluctuation of occupancy rates and rents at redeveloped properties, which may result in our investment not being profitable; (iv) start up, repositioning and redevelopment costs may be higher than anticipated; (v) cost overruns and untimely completion of construction (including risks beyond our control, such as weather or labor conditions, or material shortages); (vi) the potential that we may fail to recover expenses already incurred if we abandon development or redevelopment opportunities after we begin to explore them; (vii) the potential that we may expend funds on and devote management time to projects which we do not complete; (viii) the inability to lease a property on schedule or at all, resulting in increased construction or redevelopment costs; and (ix) the possibility that properties will be leased at below expected rental rates. These risks could result in substantial unanticipated delays or expenses and could prevent the initiation or the completion of redevelopment activities, any of which could have an adverse effect on our financial condition, results of operations, cash flow, the market value of our common shares and ability to satisfy our principal and interest obligations and to make distributions to our stockholders.

***It may be difficult to sell real estate timely, which may limit our flexibility.***

Real estate investments are relatively illiquid. Consequently, we may have limited ability to dispose of assets in our portfolio promptly in response to changes in economic or other conditions which could have an adverse effect on our sources of working capital and our ability to satisfy our debt obligations.

***We have an investment in marketable equity securities. The value of this investment may decline as a result of operating performance or economic or market conditions.***

We have an investment in The Macerich Company ("Macerich"), a retail shopping center company. As of December 31, 2020, this investment had a carrying amount of \$6,024,000. A decline in the value of this investment due to, among other reasons, Macerich's operating performance or economic or market conditions, would result in recognized GAAP losses, which could be material.

## **RISKS RELATED TO OUR INDEBTEDNESS AND ACCESS TO CAPITAL**

***Substantially all of our assets are owned by subsidiaries. We depend on dividends and distributions from these subsidiaries. The creditors of these subsidiaries are entitled to amounts payable to them by the subsidiaries before the subsidiaries may pay any dividends or distributions to us.***

Substantially all of our properties and assets are held through our subsidiaries. We depend on cash distributions and dividends from our subsidiaries for substantially all of our cash flow. The creditors of each of our direct and indirect subsidiaries are entitled to payment of that subsidiary's obligations to them when due and payable before that subsidiary may make distributions or dividends to us. Thus, our ability to pay dividends, if any, to our security holders depends on our subsidiaries' ability to first satisfy their obligations to their creditors and our ability to satisfy our obligations, if any, to our creditors.

In addition, our participation in any distribution of the assets of any of our direct or indirect subsidiaries upon the liquidation, reorganization or insolvency of the subsidiary, is only after the claims of the creditors, including trade creditors, and preferred security holders, if any, of the applicable direct or indirect subsidiaries are satisfied.

***Our existing financing documents contain covenants and restrictions that may restrict our operational and financial flexibility.***

As of December 31, 2020, we had outstanding mortgage indebtedness of \$1,164,544,000, secured by four of our properties. These mortgages contain covenants that limit our ability to incur additional indebtedness on these properties, provide for lender approval of tenants' leases in certain circumstances, and provide for yield maintenance or defeasance premiums to prepay them. These mortgages may significantly restrict our operational and financial flexibility. In addition, if we were to fail to perform our obligations under existing indebtedness or become insolvent or were liquidated, secured creditors would be entitled to payment in full from the proceeds of the sale of the pledged assets prior to any proceeds being paid to other creditors or to any holders of our securities. In such an event, it is possible that we would have insufficient assets remaining to make payments to other creditors or to any holders of our securities.

***We have a substantial amount of indebtedness that could affect our future operations.***

As of December 31, 2020, total debt outstanding was \$1,164,544,000. We are subject to the risks normally associated with debt financing, including the risk that our cash flow from operations will be insufficient to meet required debt service. Our debt service costs generally will not be reduced if developments in the market or at our properties, such as the entry of new competitors or the loss of major tenants, cause a reduction in the income from our properties. Should such events occur, our operations may be adversely affected. If a property is mortgaged to secure payment of indebtedness and income from such property is insufficient to pay that indebtedness, the property could be foreclosed upon by the mortgagee resulting in a loss of income and a decline in our total asset value.

***We have outstanding debt, and the amount of debt and its cost may increase and refinancing may not be available on acceptable terms.***

As of December 31, 2020, total debt outstanding was \$1,164,544,000 and our ratio of total debt to total enterprise value was 54.1%. "Enterprise value" means the market equity value of our common stock, plus debt, less cash and cash equivalents at such date. In addition, we have significant debt service obligations. For the year ended December 31, 2020, our cash payments for principal and interest were \$72,476,000. In the future, we may incur additional debt, and thus increase the ratio of total debt to total enterprise value. If our level of indebtedness increases, there may be an increased risk of default which could adversely affect our financial condition and results of operations. In addition, in a rising interest rate environment, the cost of refinancing our existing debt and any new debt or market rate security or instrument may increase. Continued uncertainty in the equity and credit markets may negatively impact our ability to obtain financing on reasonable terms or at all, which may negatively affect our ability to refinance our debt.

## **RISKS RELATED TO OUR ORGANIZATION AND STRUCTURE**

***Loss of our key personnel could harm our operations and adversely affect the value of our common stock.***

We are dependent on the efforts of Steven Roth, our Chief Executive Officer. Although we believe that we could find a replacement, the loss of his services could harm our operations and adversely affect the value of our common stock.

***Alexander's charter documents and applicable law may hinder any attempt to acquire us.***

Provisions in Alexander's certificate of incorporation and by laws, as well as provisions of the Internal Revenue Code (the "Code") and Delaware corporate law, may delay or prevent a change in control of the Company or a tender offer, even if such action might be beneficial to stockholders, and limit the stockholders' opportunity to receive a potential premium for their shares of common stock over then prevailing market prices.

Primarily to facilitate maintenance of its qualification as a REIT, Alexander's certificate of incorporation generally prohibits ownership, directly, indirectly or beneficially, by any single stockholder of more than 9.9% of the outstanding shares of preferred stock of any class or 4.9% of outstanding common stock of any class. The Board of Directors may waive or modify these ownership limits with respect to one or more persons if it is satisfied that ownership in excess of these limits will not jeopardize Alexander's status as a REIT for federal income tax purposes. In addition, the Board of Directors has, subject to certain conditions and limitations, exempted Vornado and certain of its affiliates from these ownership limitations. Stock owned in violation of these ownership limits will be subject to the loss of rights and other restrictions. These ownership limits may have the effect of inhibiting or impeding a change in control.

Alexander's Board of Directors is divided into three classes of directors. Directors of each class are chosen for three-year staggered terms. Staggered terms of directors may have the effect of delaying or preventing changes in control or management, even though changes in management or a change in control might be in the best interest of our stockholders.

In addition, Alexander's charter documents authorize the Board of Directors to:

- cause Alexander's to issue additional authorized but unissued common stock or preferred stock;
- classify or reclassify, in one or more series, any unissued preferred stock; and
- set the preferences, rights and other terms of any classified or reclassified stock that Alexander's issues.

The Board of Directors could establish a series of preferred stock with terms that could delay, deter or prevent a change in control of Alexander's or other transaction that might involve a premium price or otherwise be in the best interest of our stockholders, although the Board of Directors does not, at present, intend to establish a series of preferred stock of this kind. Alexander's charter documents contain other provisions that may delay, deter or prevent a change in control of the Company or other transaction that might involve a premium price or otherwise be in the best interest of our stockholders.

In addition, Vornado, Interstate and its three general partners (each of whom are both trustees of Vornado and Directors of Alexander's) together beneficially own approximately 58.5% of our outstanding shares of common stock. This degree of ownership is likely to reduce the possibility of a tender offer or an attempt to change control of the Company by a third party.

***We may change our policies without obtaining the approval of our stockholders.***

Our operating and financial policies, including our policies with respect to acquisitions of real estate or other assets, growth, operations, indebtedness, capitalization and dividends, are exclusively determined by our Board of Directors. Accordingly, our stockholders do not control these policies.

***Steven Roth, Vornado and Interstate may exercise substantial influence over us. They and some of our other directors and officers have interests or positions in other entities that may compete with us.***

As of December 31, 2020, Interstate and its partners owned approximately 7.0% of the common shares of beneficial interest of Vornado and approximately 26.1% of our outstanding common stock. Steven Roth, David Mandelbaum and Russell B. Wight, Jr. are the partners of Interstate. Mr. Roth is the Chairman of our Board of Directors and Chief Executive Officer, the Chairman of the Board of Trustees and Chief Executive Officer of Vornado and the Managing General Partner of Interstate. Mr. Wight and Mr. Mandelbaum are both trustees of Vornado and members of our Board of Directors. In addition, Vornado manages and leases the real estate assets of Interstate.

As of December 31, 2020, Vornado owned 32.4% of our outstanding common stock, in addition to the 26.1% owned by Interstate and its partners. In addition to the relationships described in the immediately preceding paragraph, Dr. Richard West and Mandakini Puri are both trustees of Vornado and members of our Board of Directors and Matthew Iocco, our Chief Financial Officer, is the Executive Vice President - Chief Accounting Officer of Vornado.

Because of their overlapping interests, Vornado, Mr. Roth, Interstate and the other individuals noted in the preceding paragraphs may have substantial influence over Alexander's, and on the outcome of any matters submitted to Alexander's stockholders for approval. In addition, certain decisions concerning our operations or financial structure may present conflicts of interest among Vornado, Messrs. Roth, Mandelbaum and Wight and Interstate and other security holders. Vornado, Mr. Roth and Interstate may, in the future, engage in a wide variety of activities in the real estate business which may result in conflicts of interest with respect to matters affecting us, such as, which of these entities or persons, if any, may take advantage of potential business opportunities, the business focus of these entities, the types of properties and geographic locations in which these entities make investments, potential competition between business activities conducted, or sought to be conducted, by us, competition for properties and tenants, possible corporate transactions such as acquisitions, and other strategic decisions affecting the future of these entities.

***There may be conflicts of interest between Vornado, its affiliates and us.***

Vornado manages, develops and leases our properties under agreements that have one-year terms expiring in March of each year, which are automatically renewable. Because we share common senior management with Vornado and because five of the trustees of Vornado are on our Board of Directors, the terms of the foregoing agreements and any future agreements may not be comparable to those we could have negotiated with an unaffiliated third party.

For a description of Interstate's ownership of Vornado and Alexander's, see "Steven Roth, Vornado and Interstate may exercise substantial influence over us. They and some of our other directors and officers have interests or positions in other entities that may compete with us." above.

## **RISKS RELATED TO OUR COMMON SHARES**

### ***The trading price of our common shares has been volatile and may continue to fluctuate.***

The trading price of our common shares has been volatile and may continue to fluctuate widely as a result of several factors, many of which are outside of our control. In addition, the stock market is subject to fluctuations in the share prices and trading volumes that affect the market prices of the shares of many companies. These broad market fluctuations have in the past and may in the future adversely affect the market price of our common shares. Among the factors that could affect the price of our common shares are:

- our financial condition and performance;
- the financial condition of our tenants, including the extent of tenant bankruptcies or defaults;
- the impact of the COVID-19 pandemic;
- actual or anticipated quarterly fluctuations in our operating results and financial condition;
- our dividend policy;
- the reputation of REITs and real estate investments generally and the attractiveness of REIT equity securities in comparison to other equity securities, including securities issued by other real estate companies, and fixed income securities;
- uncertainty and volatility in the equity and credit markets;
- fluctuations in interest rates;
- changes in revenue or earnings estimates or publication of research reports and recommendations by financial analysts or actions taken by rating agencies with respect to our securities or those of other REITs;
- failure to meet analysts' revenue or earnings estimates;
- speculation in the press or investment community;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- the extent of institutional investor interest in us;
- the extent of short-selling of our common shares and the shares of our competitors;
- fluctuations in the stock price and operating results of our competitors;
- general financial and economic market conditions and, in particular, developments related to market conditions for REITs and other real estate related companies;
- domestic and international economic factors unrelated to our performance;
- changes in tax laws and rules; and
- all other risk factors addressed elsewhere in this Annual Report on Form 10-K.

A significant decline in our stock price could result in substantial losses for stockholders.

### ***Alexander's has additional shares of its common stock available for future issuance, which could decrease the market price of the common stock currently outstanding.***

The interest of our current stockholders could be diluted if we issue additional equity securities. As of December 31, 2020, we had authorized but unissued 4,826,550 shares of common stock, par value of \$1.00 per share and 3,000,000 shares of preferred stock, par value \$1.00 per share; of which 14,916 shares of common stock are reserved for issuance upon redemption of the deferred stock units previously granted to our Board of Directors. In addition, 490,871 shares are available for future grant under the terms of our 2016 Omnibus Stock Plan. These awards may be granted in the form of options, restricted stock, stock appreciation rights, deferred stock units, or other equity-based interests, and if granted, would reduce that number of shares available for future grants, provided however that an award that may be settled only in cash, would not reduce the number of shares available under the plan. We cannot predict the impact that future issuances of common or preferred stock or any exercise of outstanding options or grants of additional equity-based interests would have on the market price of our common stock.

## **RISKS RELATED TO REGULATORY COMPLIANCE**

### ***We might fail to qualify or remain qualified as a REIT, and may be required to pay federal income taxes at corporate rates.***

Although we believe that we will remain organized and will continue to operate so as to qualify as a REIT for federal income tax purposes, we might fail to remain qualified. Qualification as a REIT for federal income tax purposes is governed by highly technical and complex provisions of the Code for which there are only limited judicial or administrative interpretations and depends on various facts and circumstances that are not entirely within our control. In addition, legislation, new regulations, administrative interpretations or court decisions may significantly change the relevant tax laws and/or the federal income tax consequences of qualifying as a REIT. If, with respect to any taxable year, we fail to maintain our qualification as a REIT and do not qualify under statutory relief provisions, we could not deduct distributions to stockholders in computing our taxable income and would have to pay federal income tax on our taxable income at regular corporate rates. The federal income tax payable would include any applicable alternative minimum tax. If we had to pay federal income tax, the amount of money available to distribute to stockholders and pay our indebtedness would be reduced for the year or years involved, and we would no longer be required to make distributions to stockholders in that taxable year and in future years until we were able to qualify as a REIT and did so. In addition, we would also be disqualified from treatment as a REIT for the four taxable years following the year during which qualification was lost, unless we were entitled to relief under the relevant statutory provisions.

### ***We may face possible adverse changes in federal tax laws, which may result in an increase in our tax liability.***

At any time, the U.S. federal income tax laws governing REITs or the administrative interpretations of those laws may be amended. We cannot predict if or when any new U.S. federal income tax law, regulation, or administrative interpretation, or any amendment to any existing U.S. federal income tax law, Treasury regulation or administrative interpretation, will be adopted, promulgated or become effective and any such law, regulation, or interpretation may take effect retroactively. Alexander's, its taxable REIT subsidiaries, and our security holders could be adversely affected by any such change in, or any new, U.S. federal income tax law, Treasury regulation or administrative interpretation.

### ***We may incur significant costs to comply with environmental laws and environmental contamination may impair our ability to lease and/or sell real estate.***

Our operations and properties are subject to various federal, state and local laws and regulations concerning the protection of the environment, including air and water quality, hazardous or toxic substances and health and safety. Under some environmental laws, a current or previous owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances released at a property. The owner or operator may also be held liable to a governmental entity or to third parties for property damage or personal injuries and for investigation and clean-up costs incurred by those parties because of the contamination. These laws often impose liability without regard to whether the owner or operator knew of the release of the substances or caused the release. The presence of contamination or the failure to remediate contamination may also impair our ability to sell or lease real estate or to borrow using the real estate as collateral. Other laws and regulations govern indoor and outdoor air quality including those that can require the abatement or removal of asbestos-containing materials in the event of damage, demolition, renovation or remodeling and govern emissions of and exposure to asbestos fibers in the air. The maintenance and removal of lead paint and certain electrical equipment containing polychlorinated biphenyls (PCBs) are also regulated by federal and state laws. We are also subject to risks associated with human exposure to chemical or biological contaminants such as molds, pollens, viruses and bacteria which, above certain levels, can be alleged to be connected to allergic or other health effects and symptoms in susceptible individuals. We could incur fines for environmental compliance and be held liable for the costs of remedial action with respect to the foregoing regulated substances or related claims arising out of environmental contamination or human exposure to contamination at or from our properties.

Each of our properties has been subjected to varying degrees of environmental assessment. To date, these environmental assessments have not revealed any environmental condition material to our business. However, identification of new compliance concerns or undiscovered areas of contamination, changes in the extent or known scope of contamination, human exposure to contamination or changes in clean-up or compliance requirements could result in significant costs to us.

In addition, we may become subject to costs or taxes, or increases therein, associated with natural resource or energy usage (such as a "carbon tax"). These costs or taxes could increase our operating costs and decrease the cash available to pay our obligations or distribute to stockholders.



***We face risks associated with our tenants being designated “Prohibited Persons” by the Office of Foreign Assets Control and similar requirements.***

Pursuant to Executive Order 13224 and other laws, the Office of Foreign Assets Control of the United States Department of the Treasury (“OFAC”) maintains a list of persons designated as terrorists or who are otherwise blocked or banned (“Prohibited Persons”) from conducting business or engaging in transactions in the United States and thereby restricts our doing business with such persons. In addition, our leases, loans and other agreements may require us to comply with OFAC and related requirements, and any failure to do so may result in a breach of such agreements. If a tenant or other party with whom we conduct business is placed on the OFAC list or is otherwise a party with whom we are prohibited from doing business, we may be required to terminate the lease or other agreement or face other penalties. Any such termination could result in a loss of revenue or otherwise negatively affect our financial results and cash flows.

***We may face possible adverse state and local tax audits and changes in state and local tax law.***

Because we are organized and qualify as a REIT, we are generally not subject to federal income taxes, but we are subject to certain state and local taxes. In the normal course of business, certain entities through which we own real estate have undergone tax audits. There can be no assurance that future audits will not occur with increased frequency or that the ultimate result of such audits will not have a material adverse effect on our results of operations.

From time to time changes in state and local tax laws or regulations are enacted, which may result in an increase in our tax liability. A shortfall in tax revenues for states and municipalities in which we operate may lead to an increase in the frequency and size of such changes. If such changes occur, we may be required to pay additional taxes on our assets or income. These increased tax costs could adversely affect our financial condition and results of operations and the amount of cash available for the payment of dividends and distributions to our stockholders.

***Compliance or failure to comply with the Americans with Disabilities Act (“ADA”) or other safety regulations and requirements could result in substantial costs.***

The ADA generally requires that public buildings, including our properties, meet certain Federal requirements related to access and use by disabled persons. Noncompliance could result in the imposition of fines by the Federal government or the award of damages to private litigants and/or legal fees to their counsel. If, under the ADA, we are required to make substantial alterations and capital expenditures in one or more of our properties, including the removal of access barriers, it could adversely affect our financial condition and results of operations, as well as the amount of cash available for distribution to stockholders.

Our properties are subject to various federal, state and local regulatory requirements, such as state and local fire and life safety requirements. If we fail to comply with these requirements, we could incur fines or private damage awards. We do not know whether existing requirements will change or whether compliance with future requirements will require significant unanticipated expenditures that will affect our cash flow and results of operations.

## **GENERAL RISKS**

***The occurrence of cyber incidents, or a deficiency in our cyber security, as well as other disruptions of our IT networks and related systems, could negatively impact our business by causing a disruption to our operations, a compromise or corruption of our confidential information, and/or damage to our business relationships or reputation, all of which could negatively impact our financial results.***

We face risks associated with security breaches, whether through cyber attacks or cyber intrusions over the Internet, malware, computer viruses, attachments to e-mails, persons who access our systems from inside or outside our organization, and other significant disruptions of our IT networks and related systems. The risk of a security breach or disruption, particularly through cyber attack or cyber intrusion, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. Although we have not experienced cyber incidents that are individually, or in the aggregate, material, we have experienced cyber attacks in the past, which have thus far been mitigated by preventative, detective, and responsive measures that we have put in place. Our IT networks and related systems are essential to the operation of our business and our ability to perform day-to-day operations (including managing our building systems) and, in some cases, may be critical to the operations of certain of our tenants. Although we make efforts to maintain the security and integrity of these types of IT networks and related systems, and we have implemented various measures to manage the risk of a security breach or disruption, there can be no assurance that our security efforts and measures will be effective or that attempted security breaches or disruptions would not be successful or damaging. Unauthorized parties, whether within or outside our company, may disrupt or gain access to our systems, or those of third parties with whom we do business, through human error, misfeasance, fraud, trickery, or other forms of deceit, including break-ins, use of stolen credentials, social engineering, phishing, computer viruses or other malicious codes, and similar means of unauthorized and destructive tampering. Even the most well protected information, networks, systems and facilities remain potentially vulnerable because the techniques used in such attempted security breaches evolve and generally are not recognized until launched against a target, and in some cases are designed to not be detected and, in fact, may not be detected. Accordingly, we may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, and thus it is impossible for us to entirely mitigate this risk.

A security breach or other significant disruption involving our IT networks and related systems could disrupt the proper functioning of our networks and systems and therefore our operations and/or those of certain of our tenants; result in the unauthorized access to, and destruction, loss, theft, misappropriation or release of, proprietary, confidential, sensitive or otherwise valuable information of ours or others, which others could use to compete against us or which could expose us to damage claims by third-parties for disruptive, destructive or otherwise harmful purposes and outcomes; result in our inability to maintain the building systems relied upon by our tenants for the efficient use of their leased space; require significant management attention and resources to remedy any damages that result; subject us to litigation claims for breach of contract, damages, credits, fines, penalties, governmental investigations and enforcement actions or termination of leases or other agreements; or damage our reputation among our tenants and investors generally. Any or all of the foregoing could have a material adverse effect on our results of operations, financial condition and cash flows.

A cyber attack or systems failure could interfere with our ability to comply with financial reporting requirements, which could adversely affect us. A cyber attack could also compromise the confidential information of our employees, tenants, customers and vendors. A successful attack could disrupt and materially affect our business operations, including damaging relationships with tenants, customers and vendors. Any compromise of our information security systems could also result in a violation of applicable privacy and other laws, significant legal and financial exposure, damage to our reputation, loss or misuse of the information (which may be confidential, proprietary and/or commercially sensitive in nature) and a loss of confidence in our security measures, which could harm our business.

***Capital markets and economic conditions can materially affect our liquidity, financial condition and results of operations as well as the value of an investment in our debt and equity securities.***

There are many factors that can affect the value of our equity securities and any debt securities we may issue in the future, including the state of the capital markets and economy. Demand for office and retail space typically declines nationwide due to an economic downturn, bankruptcies, downsizing, layoffs and cost cutting. Government action or inaction may adversely affect the state of the capital markets. The cost and availability of credit may be adversely affected by illiquid credit markets and wider credit spreads, which may adversely affect our liquidity and financial condition, including our results of operations, and the liquidity and financial condition of our tenants. Our inability or the inability of our tenants to timely refinance maturing liabilities and access the capital markets to meet liquidity needs may materially affect our financial condition and results of operations and the value of our equity securities and any debt securities we may issue in the future.

***Some of our potential losses may not be covered by insurance.***

We maintain general liability insurance with limits of \$300,000,000 per occurrence and per property, of which the first \$1,000,000 includes communicable disease coverage, 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 and excluding communicable disease coverage.

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 Act of 2002, as amended to date and which has been extended through December 2027. 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 and the Federal government with no exposure to FNSIC. For NBCR acts, FNSIC is responsible for a \$275,000 deductible and 20% of the balance of a covered loss, and the Federal government is responsible for the remaining 80% 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 or other events. However, we cannot anticipate what coverage will be available on commercially reasonable terms in the future. We are responsible for uninsured losses and for deductibles and losses in excess of our insurance coverage, which could be material.

The principal amounts of our mortgage loans are non-recourse to us and the 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 or refinance our properties.

***Changes in the method pursuant to which the LIBOR rates are determined and phasing out of LIBOR after 2021 may affect our financial results.***

The chief executive of the United Kingdom Financial Conduct Authority (“FCA”), which regulates the London Interbank Offered Rate (“LIBOR”), announced that the FCA intends to stop compelling banks to submit rates for the calculation of LIBOR after 2021. In response, the Federal Reserve Board and the Federal Reserve Bank of New York organized the Alternative Reference Rates Committee which identified the Secured Overnight Financing Rate (“SOFR”) as its preferred alternative to USD-LIBOR in derivatives and other financial contracts. In November 2020, the ICE Benchmark Administration Limited, the benchmark administrator for USD LIBOR rates, proposed extending the publication of certain commonly used USD LIBOR settings until June 30, 2023 and the FCA issued a statement supporting such proposal. In connection with this proposal, certain U.S. banking regulators issued guidance strongly encouraging banks to generally cease entering into new contracts referencing USD LIBOR as soon as practicable and in any event by December 31, 2021. It is not possible to predict the effect of these changes, including when LIBOR will cease to be available or when there will be sufficient liquidity in the SOFR markets.

We have outstanding debt with variable rates based on LIBOR. In the transition from the use of LIBOR to SOFR or other alternatives, the level of interest payments we incur may change. In addition, although certain of our LIBOR based obligations provide for alternative methods of calculating the related interest rate payable (including transition to an alternative benchmark rate) if LIBOR is not reported, uncertainty as to the extent and manner of future changes may result in interest rates and/or payments that are higher than, lower than or that do not otherwise correlate over time with the interest rates and/or payments that would have been made on our obligations if LIBOR was available in its current form. Use of alternative interest rates or other LIBOR reforms could result in increased volatility or a tightening of credit markets which could adversely affect our ability to obtain cost-effective financing. In addition, the transition of our existing LIBOR financing agreements to alternative benchmarks may result in unanticipated changes to the overall interest rate paid on our liabilities.

**ITEM 1B. UNRESOLVED STAFF COMMENTS**

There are no unresolved comments from the staff of the Securities and Exchange Commission as of the date of this Annual Report on Form 10-K.

## ITEM 2. PROPERTIES

The following table shows the location, ownership, approximate size (excluding parking garages) and occupancy of each of our properties as of December 31, 2020.

Property	Land Acreage	Square Feet			In Service Occupancy Rate	Weighted Average Escalated Annual Rent PSF (1)	Tenants	Lease Expiration(s)	
		Total Property	In Service	Under Development Or Not Available For Lease				Original Term (2)	Option Term (3)
<b>Operating Properties:</b>									
731 Lexington Avenue									
New York, NY									
Office		920,000	920,000	—	100%	\$130.00	Bloomberg L.P.	2029	2039
Retail		83,000	83,000	—			The Home Depot	2025	2035
		34,000	34,000	—			The Container Store	2021	N/A
		38,000	38,000	—			Various	Various	Various
		155,000	155,000	—	93%	278.46			
	1.9	1,075,000	1,075,000	—					
Rego Park I									
Queens, NY									
		112,000	112,000	—			IKEA	2025 (4)	2030
		50,000	50,000	—			Burlington	2027	N/A
		46,000	46,000	—			Bed Bath & Beyond	2026	N/A
		36,000	36,000	—			Marshalls	2032	N/A
		16,000	16,000	—			Old Navy	2022	N/A
		78,000	—	78,000			(5)	N/A	N/A
	4.8	338,000	260,000	78,000	100%	53.58			
Rego Park II									
Queens, NY									
		145,000	145,000	—			Costco	2034	2059
		135,000	135,000	—			Century 21 (6)	2031	2051
		133,000	133,000	—			Kohl's (7)	2031	2051
		196,000	196,000	—			Various	Various	Various
	6.6	609,000	609,000	—	96%	59.73			
The Alexander apartment tower, 312 units									
Queens, NY									
	—	255,000	255,000	—	82%	46.26 (8)	Residential	(9)	N/A
Paramus									
Paramus, NJ									
	30.3	—	—	—	100%	—	IKEA (ground lessee)	2041 (10)	N/A
Flushing									
Queens, NY (11)									
	1	167,000	167,000	—	100%	32.09	New World Mall LLC	2027	2037
<b>Property to be Developed:</b>									
Rego Park III, adjacent to Rego Park II									
Queens, NY									
	3.2	—	—	—	—	—	—	—	—
		2,444,000	2,366,000	78,000					

(1) Represents the weighted average escalated annual rent per square foot, which includes tenant reimbursements and excludes the impact of tenant concessions (such as free rent), as of December 31, 2020. For a discussion of our leasing activity, see Item 7 - Overview - Square Footage, Occupancy and Leasing Activity.

(2) Represents the year in which the tenant's lease expires, without consideration of any renewal or extension options. Lease expiration dates are based on non-cancelable lease terms and do not extend beyond any early termination rights that the tenant may have under its lease.

(3) Represents the year in which the tenant's lease expires if all renewal or extension options are exercised.

(4) IKEA has the option to terminate its lease after the fifth year of the lease term subject to payment to us of the lesser of \$10,000,000 or the amount of rent due under the remaining term.

(5) Formerly occupied by Sears. Currently out of service due to redevelopment.

(6) On September 10, 2020, Century 21 filed for Chapter 11 bankruptcy and closed its store on December 7, 2020.

(7) Subleased through remaining original lease term.

(8) Average monthly rent per unit is \$3,212.

(9) Residential tenants have one or two year leases.

(10) IKEA's lease has a purchase option in October 2021.

(11) Ground leased through January 2027 with one 10-year extension option.

## Operating Properties

### 731 Lexington Avenue

731 Lexington Avenue, a 1,323,000 square foot multi-use building, comprises the entire block bounded by Lexington Avenue, East 59<sup>th</sup> Street, Third Avenue and East 58<sup>th</sup> Street in Manhattan, New York, and is situated in the heart of one of Manhattan's busiest business and shopping districts, with convenient access to several subway and bus lines. The property is located across the street from Bloomingdale's flagship store and only a few blocks away from Fifth Avenue and 57<sup>th</sup> Street. The building contains 920,000 and 155,000 of net rentable square feet of office and retail space, respectively, which we own, and 248,000 square feet of residential space consisting of 105 condominium units, which we sold. Bloomberg occupies all of the office space. The Home Depot (83,000 square feet) is the principal retail tenant.

The office portion of 731 Lexington Avenue is encumbered by a mortgage loan with a balance of \$500,000,000 which matures in June 2021, with three one-year unilateral extension options. The interest-only loan is at LIBOR plus 0.90% (1.06% as of December 31, 2020). In connection therewith, we purchased an interest rate cap with a notional amount of \$500,000,000 that caps LIBOR at a rate of 6.0%.

The retail portion of 731 Lexington Avenue is encumbered by a mortgage loan with a balance of \$300,000,000 which matures in August 2025. The interest-only loan is at LIBOR plus 1.40% (1.55% as of December 31, 2020) which is subject to an interest rate swap with a fixed rate of 1.72%.

### Rego Park I

Rego Park I, a 338,000 square foot shopping center, located on Queens Boulevard and 63<sup>rd</sup> Road in Queens, New York. The center is anchored by a 112,000 square foot IKEA, a 50,000 square foot Burlington, a 46,000 square foot Bed Bath & Beyond and a 36,000 square foot Marshalls. The center contains a parking deck (1,241 spaces) that provides for paid parking.

### Rego Park II

Rego Park II, a 609,000 square foot shopping center, adjacent to the Rego Park I shopping center in Queens, New York. The center is anchored by a 145,000 square foot Costco and a 133,000 square foot Kohl's, which has been subleased. On September 10, 2020, Century 21 (\$6,400,000 of annual revenue) filed for Chapter 11 bankruptcy and closed its 135,000 square foot store on December 7, 2020. The center contains a parking deck (1,326 spaces) that provides for paid parking.

This center is encumbered by a mortgage loan in the amount of \$252,544,000 which matures in December 2025. The interest-only loan is at LIBOR plus 1.35% (1.50% as of December 31, 2020). As of December 31, 2020, we have a participation in the mortgage in the amount of \$50,000,000 which for GAAP purposes is netted against the mortgage balance. Therefore, the balance sheet amount of the mortgage loan is \$202,544,000.

### The Alexander Apartment Tower

The Alexander apartment tower, located above our Rego Park II shopping center, contains 312 units aggregating 255,000 square feet.

The property is encumbered by a mortgage loan in the amount of \$94,000,000 which matures in November 2027. The interest-only loan has a fixed rate of 2.63%.

## **Operating Properties - continued**

### Paramus

We own 30.3 acres of land located at the intersection of Routes 4 and 17 in Paramus, New Jersey. The land is located directly across from the Garden State Plaza regional shopping mall and is within two miles of three other regional shopping malls and ten miles of New York City. The land has been ground leased to IKEA since 2001. The lease expires in 2041, with a purchase option in October 2021 for \$75,000,000. The property is encumbered by a \$68,000,000 interest-only mortgage loan with a fixed rate of 4.72%, which matures in October 2021. The annual triple-net rent is the sum of \$700,000 plus the amount of interest 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.

### Flushing

Our Flushing property is located on Roosevelt Avenue and Main Street in the downtown, commercial section of Flushing, Queens, New York. Roosevelt Avenue and Main Street are active shopping districts and there are many national retailers located in the area. A subway entrance is located directly in front of the property with bus service across the street. The property comprises a four-floor building containing 167,000 square feet and a parking garage, which is sub-leased to New World Mall LLC for the remainder of our ground lease term, which expires in January 2027 and has one 10-year extension option.

## **Property to be Developed**

### Rego Park III

We own a 140,000 square foot land parcel adjacent to the Rego Park II shopping center in Queens, New York, at the intersection of Junction Boulevard and the Horace Harding Service Road. The land is currently being used for paid public parking. In 2016, the Company started the entitlement process.

**ITEM 3. LEGAL PROCEEDINGS**

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

In June 2014, Sears Roebuck and Co. (“Sears”) filed a lawsuit in the Supreme Court of the State of New York against Vornado and us (and certain of our subsidiaries) with regard to the 195,000 square foot store that Sears formerly leased at our Rego Park I property alleging that the defendants are liable for harm that Sears has suffered as a result of (a) water intrusions into the premises, (b) two fires in February 2014 that caused damages to those premises, and (c) alleged violations of the Americans with Disabilities Act in the premises’ parking garage. Sears asserted various causes of actions for damages and sought to compel compliance with landlord’s obligations to repair the premises and to provide security, and to compel us to abate a nuisance that Sears claims was a cause of the water intrusions into its premises. In addition to injunctive relief, Sears sought, among other things, damages of not less than \$4,000,000 and future damages it estimated would not be less than \$25,000,000. In March 2016, Sears withdrew its claim for future damages leaving a remaining claim for property damages, which we estimate to be approximately \$650,000 based on information provided by Sears. We intend to defend the remaining claim vigorously. The amount or range of reasonably possible losses, if any, is not expected to be greater than \$650,000. On October 15, 2018, Sears filed for Chapter 11 bankruptcy relief resulting in an automatic stay of this case.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.



## PART II

### ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is listed on the New York Stock Exchange under the symbol "ALX."

As of January 31, 2021, there were 206 holders of record of our common stock.

#### Recent Sales of Unregistered Securities

None.

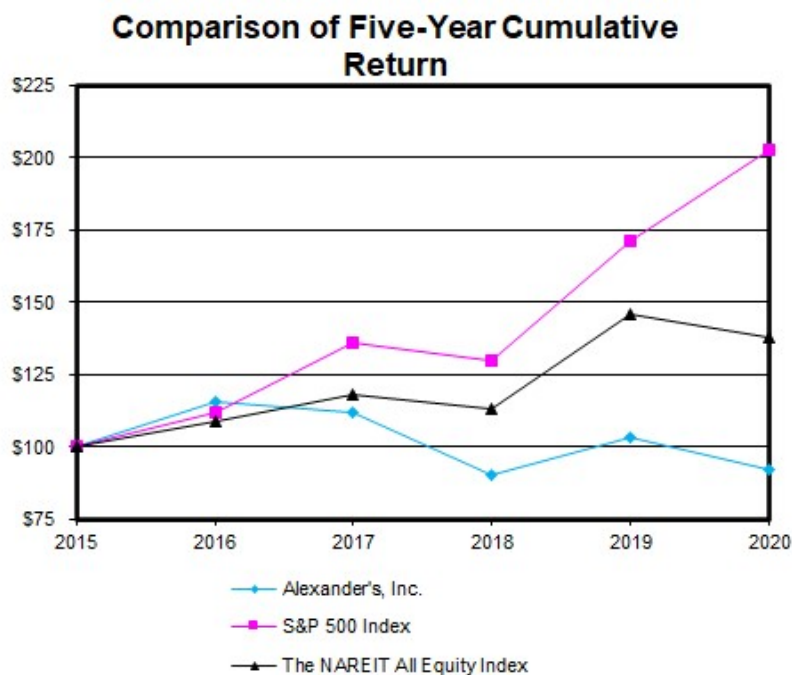
Information relating to compensation plans under which our equity securities are authorized for issuance is set forth under Part III, Item 12 of this Annual Report on Form 10-K and such information is incorporated by reference herein.

#### Recent Purchases of Equity Securities

None.

Performance Graph

The following graph is a comparison of the five-year cumulative return of our common stock, the Standard & Poor’s 500 Index (the “S&P 500 Index”) and the National Association of Real Estate Investment Trusts’ (“NAREIT”) All Equity Index, a peer group index. The graph assumes that \$100 was invested on December 31, 2015 in our common stock, the S&P 500 Index and the NAREIT All Equity Index and that all dividends were reinvested without the payment of any commissions. There can be no assurance that the performance of our stock will continue in line with the same or similar trends depicted in the graph below.



	2015	2016	2017	2018	2019	2020
Alexander’s	\$ 100	\$ 116	\$ 112	\$ 90	\$ 103	\$ 92
S&P 500 Index	100	112	136	130	171	203
The NAREIT All Equity Index	100	109	118	113	146	138

**ITEM 6. SELECTED FINANCIAL DATA**

None.

## ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### 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 seven 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 the global, national and local economies, the financial condition and operating results of current and prospective tenants and customers, the availability and cost of capital, construction and renovation costs, taxes, governmental regulations, legislation, population and employment 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.

In January 2021, the SEC issued Final Rule Release No. 33-10890, *Management’s Discussion and Analysis, Selected Financial Data, and Supplementary Financial Information*. This rule, which became effective on February 10, 2021, adopts amendments to modernize, simplify and enhance certain financial disclosure requirements in Regulation S-K. Specifically, the amendments eliminate the requirement for Selected Financial Data, streamline the requirement to disclose Supplementary Financial Information, and amend our Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”). We early adopted the amendments to two items resulting in the elimination of Item 301, *Selected Financial Data*, and the omission of Item 302(a), *Supplementary Financial Information*. The amendments to Item 303(a)(b) *MD&A*, will be adopted in our Form 10-K for the year ended December 31, 2021.

### COVID-19 Pandemic

Our business has been adversely affected by the ongoing COVID-19 pandemic. In March 2020, our “non-essential” retail tenants were ordered to temporarily close and although substantially all re-opened in the latter part of June 2020, there are limitations on occupancy and other restrictions that affect their ability to resume full operations.

In limited circumstances, we have agreed to and may continue to agree to rent deferrals and abatements for certain of our tenants. We have made the policy election available to us based on the Financial Accounting Standards Board’s (“FASB”) guidance for leases during the COVID-19 pandemic, which allows us to continue recognizing rental revenue for rent deferral agreements and to recognize rent abatements as a reduction to rental revenue in the period granted. See Note 3 - *Summary of Significant Accounting Policies*, to our consolidated financial statements in this Annual Report on Form 10-K for additional information.

Overall, we have collected approximately 95% of rent billed for the quarter ended December 31, 2020 (96% including rent deferrals under agreements which generally require repayment in monthly installments over a period of time not to exceed twelve months), including 100% for our office tenant, approximately 90% for our retail tenants (91% including rent deferrals) and approximately 98% for our residential tenants.

On September 10, 2020, Century 21, which leased 135,000 square feet at our Rego Park II shopping center (\$6,400,000 of annual revenue), filed for Chapter 11 bankruptcy and closed its store on December 7, 2020.

Based on our assessment of the probability of collecting rent from certain tenants, we have written off as uncollectible tenant receivables of \$4,122,000 during the year ended December 31, 2020, resulting in a reduction of rental revenues. Of this amount, \$2,716,000 is attributable to Century 21. In addition, we have written off receivables arising from the straight-lining of rents related to these tenants of \$10,837,000 during the year ended December 31 2020, resulting in a reduction of rental revenues. Of this amount, \$5,919,000 is attributable to Century 21. Prospectively, revenue recognition for these tenants will be based on actual amounts received.

## Overview - continued

### Year Ended December 31, 2020 Financial Results Summary

Net income for the year ended December 31, 2020 was \$41,939,000 or \$8.19 per diluted share, compared to \$60,075,000, or \$11.74 per diluted share for the year ended December 31, 2019.

Funds from operations (“FFO”) (non-GAAP) for the year ended December 31, 2020 was \$82,509,000, or \$16.11 per diluted share, compared to \$99,670,000, or \$19.47 per diluted share for the year ended December 31, 2019.

### Quarter Ended December 31, 2020 Financial Results Summary

Net income for the quarter ended December 31, 2020 was \$18,432,000, or \$3.60 per diluted share, compared to \$14,434,000, or \$2.82 per diluted share for the quarter ended December 31, 2019.

FFO (non-GAAP) for the quarter ended December 31, 2020 was \$25,407,000, or \$4.96 per diluted share, compared to \$24,626,000, or \$4.81 per diluted share for the quarter ended December 31, 2019.

### Square Footage, Occupancy and Leasing Activity

As of December 31, 2020, our portfolio was comprised of seven properties aggregating 2,444,000 square feet, of which 2,366,000 square feet was in service and 78,000 square feet (a portion of our Rego Park I shopping center) was out of service due to redevelopment. The in service square feet was 97% occupied as of December 31, 2020.

### Financing Activity

On February 14, 2020, we reduced our participation in our Rego Park II shopping center loan to \$50,000,000 and received cash proceeds of approximately \$145,000,000.

On September 14, 2020, we amended and extended the \$350,000,000 mortgage loan on the retail condominium of our 731 Lexington Avenue property. Under the terms of the amendment, we paid down the loan by \$50,000,000 to \$300,000,000, extended the maturity date to August 2025 and guaranteed the interest payments and certain leasing costs. The principal of the loan is non-recourse to us. The interest-only loan is at LIBOR plus 1.40% (1.55% as of December 31, 2020) which is subject to an interest rate swap with a fixed rate of 1.72%.

On October 23, 2020, we completed a financing of The Alexander apartment tower in the amount of \$94,000,000. The interest-only loan has a fixed rate of 2.63% and matures in November 2027.

### Significant Tenant

Bloomberg accounted for revenue of \$109,066,000, \$109,113,000, and \$107,356,000 in the years ended December 31, 2020, 2019 and 2018, respectively, representing approximately 55%, 48% and 46% of our total revenues in each year, 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 be unable to fulfill its obligations under its lease, it would adversely affect our results of operations and financial condition. In order to assist us in our continuing assessment of Bloomberg’s creditworthiness, we receive certain confidential financial information and metrics from Bloomberg. In addition, we access and evaluate financial information regarding Bloomberg from other private sources, as well as publicly available data.

## Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”), which 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Set forth below is a summary of our accounting policies that we believe are critical to the preparation of our consolidated financial statements. This summary should be read in conjunction with a more complete discussion of our accounting policies included in Note 3 – *Summary of Significant Accounting Policies*, to the consolidated financial statements in this Annual Report on Form 10-K.

## Critical Accounting Policies and Estimates - continued

### *Real Estate*

Real estate is carried at cost, net of accumulated depreciation and amortization. As of December 31, 2020 and 2019, the carrying amount of our real estate, net of accumulated depreciation and amortization, was \$720,921,000 and \$716,843,000, respectively. Maintenance and repairs are generally expensed as incurred. Depreciation requires an estimate by management of the useful life of each property and improvement as well as an allocation of the costs associated with a property to its various components. If we do not allocate these costs appropriately or incorrectly estimate the useful lives of our real estate, depreciation expense may be misstated. We capitalize all property operating expenses directly associated with and attributable to, the development and construction of a project, including interest expense. The capitalization period begins when development activities are underway and ends when it is determined that the asset is substantially complete and ready for its intended use, which is typically evidenced by the receipt of a temporary certificate of occupancy. General and administrative costs are expensed as incurred.

Our properties, including properties to be developed in the future, are individually reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment exists when the carrying amount of an asset exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset, including an estimated terminal value calculated using an appropriate capitalization rate. Estimates of future cash flows are based on our current plans, intended holding periods and available market information at the time the analyses are prepared. For our development properties, estimates of future cash flows also include all future expenditures necessary to develop the asset, including interest payments that will be capitalized as part of the cost of the asset. An impairment loss is recognized only if the carrying amount of the asset is not recoverable and is measured based on the excess of the property's carrying amount over its estimated fair value. If our estimates of future cash flows, anticipated holding periods, or fair values change, based on market conditions or otherwise, our evaluation of impairment charges may be different and such differences could be material to our consolidated financial statements. Estimates of future cash flows are subjective and are based, in part, on assumptions regarding future occupancy, rental rates and capital requirements that could differ materially from actual results. Plans to hold properties over longer periods decrease the likelihood of recording impairment losses.

### *Revenue Recognition*

Our rental revenues include revenues from the leasing of space to tenants at our properties and revenues from parking and tenant services. We have the following revenue recognition policies:

- Lease revenues from the leasing of space to tenants at our properties. Revenues derived from base rent are recognized over the non-cancelable term of the related leases on a straight-line basis which includes the effects of rent steps and rent abatements. We commence rental revenue recognition when the underlying asset is available for use by the lessee. In addition, in circumstances where we provide a tenant improvement allowance for improvements that are owned by the tenant, we recognize the allowance as a reduction of rental revenue on a straight-line basis over the term of the lease. Revenues derived from the reimbursement of real estate taxes, insurance expenses and common area maintenance expenses are generally recognized in the same period as the related expenses are incurred. As lessor, we have elected to combine the lease components (base and variable rent), non-lease components (reimbursements of common area maintenance expenses) and reimbursement of real estate taxes and insurance expenses from our operating lease agreements and account for the components as a single lease component in accordance with ASC Topic 842, *Leases* ("ASC 842").
- Parking revenue arising from the rental of parking spaces at our properties. This income is recognized as the services are transferred in accordance with ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606").
- Tenant services is revenue arising from sub-metered electric, elevator and other services provided to tenants at their request. This revenue is recognized as the services are transferred in accordance with ASC 606.

Under ASC 842, we must assess on an individual lease basis whether it is probable that we will collect substantially all of the future lease payments. We consider the tenant's payment history and current credit status when assessing collectability. When collectability is not deemed probable, we write-off the tenant's receivables, including straight-line rent receivable, and limit lease income to cash received. We recognize changes in the collectability assessment of our operating leases as adjustments to rental revenues.

## **Critical Accounting Policies and Estimates - continued**

### *Income Taxes*

We operate in a manner intended to enable us to continue to qualify as a REIT under Sections 856 – 860 of the Internal Revenue Code of 1986, as amended (the “Code”). In order to maintain our qualification as a REIT under the Code, we must distribute at least 90% of our taxable income to stockholders each year. We distribute to our stockholders 100% of our taxable income and therefore, no provision for Federal income taxes is required. If we fail to distribute the required amount of income to our stockholders, or fail to meet other REIT requirements, we may fail to qualify as a REIT, which may result in substantial adverse tax consequences.

## **Results of Operations – Year Ended December 31, 2020 compared to December 31, 2019**

### Rental Revenues

Rental revenues were \$199,142,000 in the year ended December 31, 2020, compared to \$226,350,000 in the prior year, a decrease of \$27,208,000. This decrease was primarily due to (i) \$10,837,000 from the write-off of receivables arising from the straight-lining of rents from certain of our retail tenants, of which \$5,919,000 is attributable to Century 21, (ii) \$10,512,000 from retail tenant vacancies at our 731 Lexington Avenue property and (iii) \$5,590,000 of lower rental income from certain of our retail tenants which were deemed uncollectible, of which \$3,036,000 is attributable to Century 21.

### Operating Expenses

Operating expenses were \$88,403,000 in the year ended December 31, 2020, compared to \$89,738,000 in the prior year, a decrease of \$1,335,000. This decrease was primarily due to lower operating expenses subject to recovery, including utilities and common area maintenance.

### Depreciation and Amortization

Depreciation and amortization was \$32,357,000 in the year ended December 31, 2020, compared to \$31,351,000 in the prior year, an increase of \$1,006,000. This increase is primarily due to the acceleration of amortization of deferred leasing costs related to Century 21 at our Rego Park II property.

### General and Administrative Expenses

General and administrative expenses were \$6,307,000 in the year ended December 31, 2020, compared to \$5,772,000 in the prior year, an increase of \$535,000. This increase was primarily due to higher stock-based compensation expense in connection with the fair value of deferred stock units granted to a newly appointed member of our Board of Directors during the second quarter of 2020, comprised of an initial award of \$150,000 and a \$56,000 annual award and \$245,000 due to higher professional fees.

### Interest and Other Income, net

Interest and other income, net was \$2,667,000 in the year ended December 31, 2020, compared to \$8,244,000 in the prior year, a decrease of \$5,577,000. This decrease was primarily due to \$5,216,000 of lower interest income due to a decrease in interest rates.

### Interest and Debt Expense

Interest and debt expense was \$24,204,000 in the year ended December 31, 2020, compared to \$38,901,000 in the prior year, a decrease of \$14,697,000. This decrease was primarily due to \$15,149,000 of lower interest expense due to a decrease in LIBOR.

### Change in Fair Value of Marketable Securities

Change in fair value of marketable securities was an expense of \$8,599,000 in the year ended December 31, 2020, consisting of \$8,698,000 resulting from a decrease in Macerich's share price of \$16.25 on 535,265 shares owned, partially offset by \$99,000 resulting from an increase in Macerich's share price of \$3.37 on 29,347 shares owned. Change in fair value of marketable securities was an expense of \$8,757,000 in the prior year, resulting from a decrease in Macerich's share prices of \$16.36 on 535,265 shares owned.

## **Results of Operations – Year Ended December 31, 2019 compared to December 31, 2018**

### Rental Revenues

Rental revenues were \$226,350,000 in the year ended December 31, 2019, compared to \$232,825,000 in the prior year, a decrease of \$6,475,000. This decrease was primarily due to the Sears vacancy effective October 2018 at our Rego Park I property.

### Operating Expenses

Operating expenses were \$89,738,000 in the year ended December 31, 2019, compared to \$93,775,000 in the prior year, a decrease of \$4,037,000. This decrease was primarily due to bad debt expense in 2018 of \$4,459,000, primarily due to the Sears bankruptcy and lease termination.

### Depreciation and Amortization

Depreciation and amortization was \$31,351,000 in the year ended December 31, 2019, compared to \$33,089,000 in the prior year, a decrease of \$1,738,000. This decrease was primarily due to acceleration of depreciation and amortization in 2018 related to the Toys “R” Us, Inc. bankruptcy and lease termination at our Rego Park II property.

### General and Administrative Expenses

General and administrative expenses were \$5,772,000 in the year ended December 31, 2019, compared to \$5,343,000 in the prior year, an increase of \$429,000. This increase was primarily due to higher professional fees.

### Interest and Other Income, net

Interest and other income, net was \$8,244,000 in the year ended December 31, 2019, compared to \$12,546,000 in the prior year, a decrease of \$4,302,000. This decrease was primarily due to (i) \$7,126,000 of interest income in 2018 from our Rego Park II loan participation (on December 12, 2018, we refinanced our \$252,544,000 Rego Park II shopping center mortgage loan and GAAP required that our loan participation be treated as an extinguishment of debt), partially offset by (ii) \$1,364,000 of higher interest income due to an increase in average interest rates and (iii) \$1,600,000 of expense in 2018 from a litigation settlement.

### Interest and Debt Expense

Interest and debt expense was \$38,901,000 in the year ended December 31, 2019, compared to \$44,533,000 in the prior year, a decrease of \$5,632,000. This decrease was primarily due to \$7,178,000 of lower interest expense due to the refinancing of our Rego Park II shopping center loan, partially offset by \$1,810,000 of higher interest expense resulting from an increase in average interest rates.

### Change in Fair Value of Marketable Securities

Change in fair value of marketable securities was an expense of \$8,757,000 in the year ended December 31, 2019, resulting from Macerich’s closing share prices of \$26.92 and \$43.28 as of December 31, 2019 and 2018, respectively, on 535,265 shares owned. Change in fair value of marketable securities was an expense of \$11,990,000 in the prior year, resulting from Macerich’s closing share prices of \$43.28 and \$65.68 as of December 31, 2018 and 2017, respectively.

### Loss from Discontinued Operations

Loss from discontinued operations was \$23,797,000 in the year ended December 31, 2018. The loss was due to an expense for potential additional real property transfer taxes from the 2012 sale of the Kings Plaza Regional Shopping Center (“Kings Plaza”). See Note 7 – *Discontinued Operations*, to our consolidated financial statements in this Annual Report on Form 10-K.



## **Related Party Transactions**

### **Vornado**

As of December 31, 2020, Vornado owned 32.4% of our outstanding common stock. We are managed by, and our properties are leased and developed by, Vornado, pursuant to various agreements, which expire in March of each year and are automatically renewable. These agreements are described in Note 5 – *Related Party Transactions*, to our consolidated financial statements in this Annual Report on Form 10-K.

Steven Roth is the Chairman of our Board of Directors and Chief Executive Officer, the Managing General Partner of Interstate Properties (“Interstate”), a New Jersey general partnership, and the Chairman of the Board of Trustees and Chief Executive Officer of Vornado. As of December 31, 2020, Mr. Roth, Interstate and its other two general partners, David Mandelbaum and Russell B. Wight, Jr. (who are also directors of the Company and trustees of Vornado) owned, in the aggregate, 26.1% of our outstanding common stock, in addition to the 2.3% they indirectly own through Vornado. Matthew Iocco, our Chief Financial Officer, is the Executive Vice President - Chief Accounting Officer of Vornado.

### **Liquidity and Capital Resources**

Rental revenue 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. As a result of the COVID-19 pandemic, in limited circumstances, we have agreed to and may continue to agree to rent deferrals and abatements for certain of our tenants. Overall, we have collected approximately 95% of rent billed for the quarter ended December 31, 2020 (96% including rent deferrals under agreements which generally require repayment in monthly installments over a period of time not to exceed twelve months), including 100% for our office tenant, approximately 90% for our retail tenants (91% including rent deferrals) and approximately 98% for our residential tenants. On September 10, 2020, Century 21, which leased 135,000 square feet at our Rego Park II shopping center (\$6,400,000 of annual revenue), filed for Chapter 11 bankruptcy and closed its store on December 7, 2020. 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.

As of December 31, 2020, we had \$455,901,000 of liquidity comprised of \$449,877,000 of cash and cash equivalents and restricted cash and \$6,024,000 of marketable securities. 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 and capital expenditures. We may refinance our maturing debt as it comes due or choose to pay it down. However, there can be no assurance that additional financing or capital will be available to refinance our debt, or that the terms will be acceptable or advantageous to us. The challenges posed by the COVID-19 pandemic and the impact on our business and cash flows are evolving rapidly and cannot be predicted at this time but that impact could be material. Consequently, we will continue to evaluate our liquidity and financial position on an ongoing basis.

### *Dividends*

On January 20, 2021, our Board of Directors declared a regular quarterly dividend to \$4.50 per share (an indicated annual rate of \$18.00 per share). The dividend, if declared by the Board of Directors at the same rate for all of 2021, would require us to pay out approximately \$92,200,000.

### *Financing Activity and Contractual Obligations*

On February 14, 2020, we reduced our participation in our Rego Park II shopping center loan to \$50,000,000 and received cash proceeds of approximately \$145,000,000.

On September 14, 2020, we amended and extended the \$350,000,000 mortgage loan on the retail condominium of our 731 Lexington Avenue property. Under the terms of the amendment, we paid down the loan by \$50,000,000 to \$300,000,000, extended the maturity date to August 2025 and guaranteed the interest payments and certain leasing costs. The principal of the loan is non-recourse to us. The interest-only loan is at LIBOR plus 1.40% (1.55% as of December 31, 2020) which is subject to an interest rate swap with a fixed rate of 1.72%.

## Liquidity and Capital Resources - continued

On October 23, 2020, we completed a financing of The Alexander apartment tower in the amount of \$94,000,000. The interest-only loan has a fixed rate of 2.63% and matures in November 2027.

Below is a summary of our outstanding debt and maturities as of December 31, 2020. We may refinance our maturing debt as it comes due or choose to repay it.

(Amounts in thousands)	Balance	Interest Rate	Maturity
Paramus	\$ 68,000	4.72 %	Oct. 04, 2021
731 Lexington Avenue, office condominium <sup>(1)</sup>	500,000	1.06 %	Jun. 11, 2024
731 Lexington Avenue, retail condominium <sup>(2)</sup>	300,000	1.55 %	Aug. 05, 2025
Rego Park II shopping center <sup>(3)</sup>	202,544	1.50 %	Dec. 12, 2025
The Alexander apartment tower	94,000	2.63 %	Nov. 01, 2027
Total	1,164,544		
Deferred debt issuance costs, net of accumulated amortization of \$13,034	(8,374)		
Total, net	\$ 1,156,170		

(1) Interest at LIBOR plus 0.90%. Maturity date represents the extended maturity based on our unilateral right to extend.

(2) Interest at LIBOR plus 1.40% which is subject to an interest rate swap with a fixed rate of 1.72%.

(3) Interest at LIBOR plus 1.35%. The amount of this loan is net of our \$50,000 loan participation.

Below is a summary of our contractual obligations and commitments as of December 31, 2020.

(Amounts in thousands)	Total	Less than One Year	One to Three Years	Three to Five Years	More than Five Years
Contractual obligations <sup>(1)</sup> (principal and interest) <sup>(2)</sup> :					
Long-term debt obligations <sup>(3)</sup>	\$ 1,241,929	\$ 86,617	\$ 32,384	\$ 1,024,327	\$ 98,601
Operating lease obligations	4,800	800	1,600	1,600	800
Purchase obligations, primarily construction commitments	4,523	4,523	—	—	—
	\$ 1,251,252	\$ 91,940	\$ 33,984	\$ 1,025,927	\$ 99,401
Commitments:					
Standby letters of credit	\$ 960	\$ 950	\$ 10	\$ —	\$ —

(1) Excludes committed tenant-related obligations as timing and amounts of payments are uncertain and may only be due upon satisfactory performance of certain conditions.

(2) Principal repayments based on extended loan maturity dates. Interest on variable rate debt is computed using rates in effect as of December 31, 2020.

(3) Net of loan participation and related interest.

## Liquidity and Capital Resources - continued

### *Commitments and Contingencies*

#### Insurance

We maintain general liability insurance with limits of \$300,000,000 per occurrence and per property, of which the first \$1,000,000 includes communicable disease coverage, 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 and excluding communicable disease coverage.

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 Act of 2002, as amended to date and which has been extended through December 2027. 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 and the Federal government with no exposure to FNSIC. For NBCR acts, FNSIC is responsible for a \$275,000 deductible and 20% of the balance of a covered loss, and the Federal government is responsible for the remaining 80% 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 or other events. However, we cannot anticipate what coverage will be available on commercially reasonable terms in the future. We are responsible for uninsured losses and for deductibles and losses in excess of our insurance coverage, which could be material.

The principal amounts of our mortgage loans are non-recourse to us and the 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 or refinance our properties.

#### Paramus

In 2001, we leased 30.3 acres of land located in Paramus, New Jersey to IKEA. The lease expires in 2041, with a purchase option in October 2021 for \$75,000,000. The property is encumbered by a \$68,000,000 interest-only mortgage loan with a fixed rate of 4.72%, which matures in October 2021. The annual triple-net rent is the sum of \$700,000 plus the amount of interest 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.

#### Rego Park I Litigation

In June 2014, Sears Roebuck and Co. (“Sears”) filed a lawsuit in the Supreme Court of the State of New York against Vornado and us (and certain of our subsidiaries) with regard to the 195,000 square foot store that Sears formerly leased at our Rego Park I property alleging that the defendants are liable for harm that Sears has suffered as a result of (a) water intrusions into the premises, (b) two fires in February 2014 that caused damages to those premises, and (c) alleged violations of the Americans with Disabilities Act in the premises’ parking garage. Sears asserted various causes of actions for damages and sought to compel compliance with landlord’s obligations to repair the premises and to provide security, and to compel us to abate a nuisance that Sears claims was a cause of the water intrusions into its premises. In addition to injunctive relief, Sears sought, among other things, damages of not less than \$4,000,000 and future damages it estimated would not be less than \$25,000,000. In March 2016, Sears withdrew its claim for future damages leaving a remaining claim for property damages, which we estimate to be approximately \$650,000 based on information provided by Sears. We intend to defend the remaining claim vigorously. The amount or range of reasonably possible losses, if any, is not expected to be greater than \$650,000. On October 15, 2018, Sears filed for Chapter 11 bankruptcy relief resulting in an automatic stay of this case.

## Liquidity and Capital Resources - continued

### Kings Plaza Transfer Tax

In 2012, we sold Kings Plaza and paid real property transfer taxes to New York City in connection with the sale. In 2015, the New York City Department of Finance (“NYC DOF”) issued a Notice of Determination to us assessing an additional New York City real property transfer tax amount, including interest.

In 2014, in a case with similar facts, the NYC DOF issued a Notice of Determination to a Vornado joint venture assessing an additional New York City real property transfer tax amount, including interest. In January 2017, a New York City administrative law judge made a determination upholding the Vornado joint venture’s position that such additional real property transfer taxes were not due. On February 16, 2018, the New York City Tax Appeals Tribunal (the “Tribunal”) overturned the January 2017 determination. The Vornado joint venture appealed the Tribunal’s decision to the Appellate Division of the Supreme Court of the State of New York and on April 25, 2019, the Tribunal’s decision was unanimously upheld. The Vornado joint venture filed a motion to reargue the Appellate Division’s decision or for leave to appeal to the New York State Court of Appeals. On December 12, 2019, that motion was denied and the case can no longer be appealed. Based on the precedent of the Tribunal’s decision, we paid the additional real property transfer taxes of \$23,797,000 (\$15,874,000 of real property transfer tax and \$7,923,000 of interest) on April 5, 2018. On January 12, 2021, we decided not to further contest the additional real property transfer taxes paid in connection with the sale of Kings Plaza.

### Letters of Credit

Approximately \$960,000 of standby letters of credit were issued and outstanding as of December 31, 2020.

### 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 position, results of operations or cash flows.

### Cash Flows for the Year Ended December 31, 2020

Cash and cash equivalents and restricted cash were \$449,877,000 at December 31, 2020, compared to \$313,977,000 at December 31, 2019, an increase of \$135,900,000. This increase resulted from (i) \$78,066,000 of net cash provided by operating activities and (ii) \$90,294,000 of net cash provided by financing activities, partially offset by (iii) \$32,460,000 of net cash used in investing activities.

Net cash provided by operating activities of \$78,066,000 was comprised of (i) net income of \$41,939,000 and (ii) adjustments for non-cash items of \$69,330,000, partially offset by (iii) the net change in operating assets and liabilities of \$33,203,000. The adjustments for non-cash items were comprised of (i) depreciation and amortization (including amortization of debt issuance costs) of \$35,121,000, (ii) straight-lining of rental income of \$21,102,000, (iii) the change in fair value of marketable securities of \$8,599,000, (iv) write-off of tenant receivables of \$4,122,000 and (v) stock-based compensation expense of \$600,000, partially offset by (vi) \$214,000 of dividends received in stock from Macerich.

Net cash provided by financing activities was primarily comprised of (i) proceeds from the reduction of our participation in our Rego Park II mortgage loan of \$145,708,000 and (ii) proceeds from the financing of The Alexander apartment tower of \$94,000,000, partially offset by (iii) dividends paid of \$92,168,000 and (iv) debt repayments of \$50,000,000.

Net cash used in investing activities was comprised of construction in progress, real estate additions and other of \$32,460,000.

## Liquidity and Capital Resources - continued

### Cash Flows for the Year Ended December 31, 2019

Cash and cash equivalents and restricted cash were \$313,977,000 at December 31, 2019, compared to \$289,495,000 at December 31, 2018, an increase of \$24,482,000. This increase resulted from (i) \$126,070,000 of net cash provided by operating activities, partially offset by (ii) \$92,139,000 of net cash used in financing activities and (iii) \$9,449,000 of net cash used in investing activities.

Net cash provided by operating activities of \$126,070,000 was comprised of (i) net income of \$60,075,000, (ii) adjustments for non-cash items of \$48,079,000 and (iii) the net change in operating assets and liabilities of \$17,916,000. The adjustments for non-cash items were comprised of (i) depreciation and amortization (including amortization of debt issuance costs) of \$36,515,000, (ii) the change in fair value of marketable securities of \$8,757,000, (iii) straight-lining of rental income of \$2,413,000 and (iv) stock-based compensation expense of \$394,000.

Net cash used in financing activities was primarily comprised of dividends paid of \$92,124,000.

Net cash used in investing activities was comprised of construction in progress and real estate additions of \$9,449,000.

### Cash Flows for the Year Ended December 31, 2018

Cash and cash equivalents and restricted cash were \$289,495,000 at December 31, 2018, compared to \$393,279,000 at December 31, 2017, a decrease of \$103,784,000. This decrease resulted from (i) \$176,185,000 of net cash used in financing activities and (ii) \$1,137,000 of net cash used in investing activities, partially offset by (iii) \$73,538,000 of net cash provided by operating activities.

Net cash used in financing activities of \$176,185,000 was primarily comprised of net debt repayments of \$81,896,000 (primarily the refinancing and subsequent repayment of the mortgage loan on our Rego Park I shopping center) and dividends paid of \$92,100,000.

Net cash used in investing activities of \$1,137,000 was comprised of construction in progress and real estate additions of \$3,966,000, partially offset by repayment of Rego Park II loan participation of \$2,829,000.

Net cash provided by operating activities of \$73,538,000 was comprised of (i) net income of \$32,844,000 and (ii) adjustments for non-cash items of \$56,807,000, partially offset by (iii) the net change in operating assets and liabilities of \$16,113,000. The adjustments for non-cash items were comprised of (i) depreciation and amortization (including amortization of debt issuance costs) of \$38,499,000, (ii) the change in fair value of marketable securities of \$11,990,000, (iii) straight-lining of rental income of \$5,924,000 and (iv) stock-based compensation expense of \$394,000.

## Funds from Operations ("FFO") (non-GAAP)

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 depreciable real estate assets, real estate impairment losses, depreciation and amortization expense from real estate assets and other specified 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 (non-GAAP) for the years and quarters ended December 31, 2020 and 2019

FFO (non-GAAP) for the year ended December 31, 2020 was \$82,509,000, or \$16.11 per diluted share, compared to \$99,670,000, or \$19.47 per diluted share for the year ended December 31, 2019.

FFO (non-GAAP) for the quarter ended December 31, 2020 was \$25,407,000, or \$4.96 per diluted share, compared to \$24,626,000, or \$4.81 per diluted share for the quarter ended December 31, 2019.

## Funds from Operations (“FFO”) (non-GAAP) - continued

The following table reconciles our net income to FFO (non-GAAP):

(Amounts in thousands, except share and per share amounts)	For the Year Ended December 31,		For the Three Months Ended December 31,	
	2020	2019	2020	2019
	Net income	\$ 41,939	\$ 60,075	\$ 18,432
Depreciation and amortization of real property	31,971	30,838	9,165	7,692
Change in fair value of marketable securities	8,599	8,757	(2,190)	2,500
FFO (non-GAAP)	<u>\$ 82,509</u>	<u>\$ 99,670</u>	<u>\$ 25,407</u>	<u>\$ 24,626</u>
FFO per diluted share (non-GAAP)	<u>\$ 16.11</u>	<u>\$ 19.47</u>	<u>\$ 4.96</u>	<u>\$ 4.81</u>
Weighted average shares used in computing FFO per diluted share	<u>5,120,922</u>	<u>5,118,198</u>	<u>5,122,206</u>	<u>5,118,698</u>

## ITEM 7A. 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)	2020			2019	
	December 31, Balance	Weighted Average Interest Rate	Effect of 1% Change in Base Rates	December 31, Balance	Weighted Average Interest Rate
	Variable rate	\$ 1,002,544	1.30%	\$ 10,025	\$ 906,836
Fixed rate	162,000	3.51%	—	68,000	4.72%
	<u>\$ 1,164,544</u>	<u>1.60%</u>	<u>\$ 10,025</u>	<u>\$ 974,836</u>	<u>2.98%</u>
Total effect on diluted earnings per share			<u>\$ 1.96</u>		

We have an interest rate cap relating to the mortgage loan on the office condominium of our 731 Lexington Avenue property with a notional amount of \$500,000,000 that caps LIBOR at a rate of 6.0%.

We have an interest rate swap relating to the mortgage loan on the retail condominium of our 731 Lexington Avenue property with a notional amount of \$300,000,000 that swaps LIBOR plus 1.40% for a fixed rate of 1.72%.

### 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 December 31, 2020 and 2019, the estimated fair value of our consolidated debt was \$1,130,000,000 and \$974,000,000, 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 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Alexander's, Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Alexander's, Inc. and subsidiaries (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2020, and the related notes and the schedules listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 16, 2021, expressed an unqualified opinion on the Company's internal control over financial reporting.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### Real Estate - Refer to Note 3 to the financial statements

#### *Critical Audit Matter Description*

The Company's real estate assets are individually evaluated for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable. The Company's evaluation of the recoverability of real estate assets involves the comparison of undiscounted future cash flows expected to be generated by each real estate asset over the Company's estimated holding period to the respective carrying amount. The Company's undiscounted future cash flow analyses require management to make significant estimates, including estimated terminal values determined using appropriate capitalization rates.



Given the Company's estimated capitalization rates used in the evaluation of impairment of real estate assets is a significant assumption made by management, performing audit procedures to evaluate the reasonableness of management's undiscounted future cash flow analyses required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists.

*How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to the Company's estimated capitalization rates used in the evaluation of impairment of real estate assets included the following, among others:

- We tested the effectiveness of controls over management's evaluation of the recoverability of real estate, including controls over management's determination of the reasonableness of the applicable capitalization rates.
- Inquired with management regarding their determination of the capitalization rates, including considerations related to the impact of COVID-19 and evaluating the consistency of the capitalization rates used with evidence obtained in other areas of the audit.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the Company's estimated capitalization rates by:
  - Testing the source information underlying the determination of the capitalization rates by evaluating the reasonableness of the capitalization rates used by management with independent market data, focusing on key factors, including the impact of COVID-19, geographical location, tenant composition, and property type.
  - Developing a range of independent estimates of capitalization rates and comparing those to the capitalization rates utilized by management.

/s/ DELOITTE & TOUCHE LLP

New York, New York  
February 16, 2021

We have served as the Company's auditor since 1969.

**ALEXANDER'S, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Amounts in thousands, except share and per share amounts)

ASSETS	December 31,	
	2020	2019
Real estate, at cost:		
Land	\$ 44,971	\$ 44,971
Buildings and leasehold improvements	1,014,311	984,053
Development and construction in progress	11,761	12,318
Total	1,071,043	1,041,342
Accumulated depreciation and amortization	(350,122)	(324,499)
Real estate, net	720,921	716,843
Cash and cash equivalents	428,710	298,063
Restricted cash	21,167	15,914
Marketable securities	6,024	14,409
Tenant and other receivables	8,116	6,092
Receivable arising from the straight-lining of rents	145,274	166,376
Deferred lease costs, net, including unamortized leasing fees to Vornado of \$27,851 and \$32,374, respectively	36,524	41,123
Other assets	37,402	6,691
	<u>\$ 1,404,138</u>	<u>\$ 1,265,511</u>
<b>LIABILITIES AND EQUITY</b>		
Mortgages payable, net of deferred debt issuance costs	\$ 1,156,170	\$ 970,961
Amounts due to Vornado	1,516	1,426
Accounts payable and accrued expenses	35,342	31,756
Other liabilities	7,882	7,853
Total liabilities	<u>1,200,910</u>	<u>1,011,996</u>
Commitments and contingencies		
Preferred stock: \$1.00 par value per share; authorized, 3,000,000 shares; issued and outstanding, none	—	—
Common stock: \$1.00 par value per share; authorized, 10,000,000 shares; issued, 5,173,450 shares; outstanding, 5,107,290 shares	5,173	5,173
Additional capital	32,965	32,365
Retained earnings	166,165	216,394
Accumulated other comprehensive loss	(707)	(49)
	203,596	253,883
Treasury stock: 66,160 shares, at cost	(368)	(368)
Total equity	<u>203,228</u>	<u>253,515</u>
	<u>\$ 1,404,138</u>	<u>\$ 1,265,511</u>

See notes to consolidated financial statements.

**ALEXANDER'S, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(Amounts in thousands, except share and per share amounts)

	Year Ended December 31,		
	2020	2019	2018
<b>REVENUES</b>			
Rental revenues	\$ 199,142	\$ 226,350	\$ 232,825
<b>EXPENSES</b>			
Operating, including fees to Vornado of \$5,429, \$5,386 and \$4,700, respectively	(88,403)	(89,738)	(93,775)
Depreciation and amortization	(32,357)	(31,351)	(33,089)
General and administrative, including management fees to Vornado of \$2,380 in each year	(6,307)	(5,772)	(5,343)
Total expenses	(127,067)	(126,861)	(132,207)
Interest and other income, net	2,667	8,244	12,546
Interest and debt expense	(24,204)	(38,901)	(44,533)
Change in fair value of marketable securities (see Note 6)	(8,599)	(8,757)	(11,990)
Income from continuing operations	41,939	60,075	56,641
Loss from discontinued operations (see Note 7)	—	—	(23,797)
Net income	\$ 41,939	\$ 60,075	\$ 32,844
Income per common share - basic and diluted:			
Income from continuing operations	\$ 8.19	\$ 11.74	\$ 11.07
Loss from discontinued operations (see Note 7)	—	—	(4.65)
Net income per common share	\$ 8.19	\$ 11.74	\$ 6.42
Weighted average shares outstanding - basic and diluted	5,120,922	5,118,198	5,116,838

See notes to consolidated financial statements.

**ALEXANDER'S, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Amounts in thousands)

	<b>Year Ended December 31,</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
Net income	\$ 41,939	\$ 60,075	\$ 32,844
Other comprehensive (loss) income:			
Change in fair value of interest rate derivatives	(658)	78	(1)
Comprehensive income	<u>\$ 41,281</u>	<u>\$ 60,153</u>	<u>\$ 32,843</u>

See notes to consolidated financial statements.

**ALEXANDER'S, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Amounts in thousands)

	Common Stock		Additional Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Equity
	Shares	Amount					
<b>Balance, December 31, 2017</b>	5,173	\$ 5,173	\$ 31,577	\$ 302,543	\$ 5,030	\$ (368)	\$ 343,955
Net income	—	—	—	32,844	—	—	32,844
Dividends paid (\$18.00 per common share)	—	—	—	(92,100)	—	—	(92,100)
Cumulative effect of change in accounting principle	—	—	—	5,156	(5,156)	—	—
Change in fair value of interest rate derivatives	—	—	—	—	(1)	—	(1)
Deferred stock unit grants	—	—	394	—	—	—	394
<b>Balance, December 31, 2018</b>	5,173	5,173	31,971	248,443	(127)	(368)	285,092
Net income	—	—	—	60,075	—	—	60,075
Dividends paid (\$18.00 per common share)	—	—	—	(92,124)	—	—	(92,124)
Change in fair value of interest rate derivatives	—	—	—	—	78	—	78
Deferred stock unit grants	—	—	394	—	—	—	394
<b>Balance, December 31, 2019</b>	5,173	5,173	32,365	216,394	(49)	(368)	253,515
Net income	—	—	—	41,939	—	—	41,939
Dividends paid (\$18.00 per common share)	—	—	—	(92,168)	—	—	(92,168)
Change in fair value of interest rate derivatives	—	—	—	—	(658)	—	(658)
Deferred stock unit grants	—	—	600	—	—	—	600
<b>Balance, December 31, 2020</b>	5,173	\$ 5,173	\$ 32,965	\$ 166,165	\$ (707)	\$ (368)	\$ 203,228

See notes to consolidated financial statements.

**ALEXANDER'S, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Amounts in thousands)

	Year Ended December 31,		
	2020	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income	\$ 41,939	\$ 60,075	\$ 32,844
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization, including amortization of debt issuance costs	35,121	36,515	38,499
Straight-lining of rents	21,102	2,413	5,924
Write-off of tenant receivables	4,122	—	—
Stock-based compensation expense	600	394	394
Change in fair value of marketable securities	8,599	8,757	11,990
Dividends received in stock	(214)	—	—
Change in operating assets and liabilities:			
Tenant and other receivables, net	(6,146)	(2,017)	(1,382)
Other assets	(28,378)	21,553	(1,197)
Amounts due to Vornado	(402)	789	(1,907)
Accounts payable and accrued expenses	2,361	(1,800)	(11,760)
Other liabilities	(638)	(609)	133
Net cash provided by operating activities	<u>78,066</u>	<u>126,070</u>	<u>73,538</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Construction in progress, real estate additions and other	(32,460)	(9,449)	(3,966)
Repayment of Rego Park II loan participation	—	—	2,829
Net cash used in investing activities	<u>(32,460)</u>	<u>(9,449)</u>	<u>(1,137)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid	(92,168)	(92,124)	(92,100)
Debt issuance costs	(7,246)	(15)	(2,189)
Debt repayments	(50,000)	—	(160,142)
Proceeds from borrowings	239,708	—	78,246
Net cash provided by (used in) financing activities	<u>90,294</u>	<u>(92,139)</u>	<u>(176,185)</u>
Net increase (decrease) in cash and cash equivalents and restricted cash	135,900	24,482	(103,784)
Cash and cash equivalents and restricted cash at beginning of year	313,977	289,495	393,279
Cash and cash equivalents and restricted cash at end of year	<u>\$ 449,877</u>	<u>\$ 313,977</u>	<u>\$ 289,495</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH</b>			
Cash and cash equivalents at beginning of year	\$ 298,063	\$ 283,056	\$ 307,536
Restricted cash at beginning of year	15,914	6,439	85,743
Cash and cash equivalents and restricted cash at beginning of year	<u>\$ 313,977</u>	<u>\$ 289,495</u>	<u>\$ 393,279</u>
Cash and cash equivalents at end of year	\$ 428,710	\$ 298,063	\$ 283,056
Restricted cash at end of year	21,167	15,914	6,439
Cash and cash equivalents and restricted cash at end of year	<u>\$ 449,877</u>	<u>\$ 313,977</u>	<u>\$ 289,495</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>			
Cash payments for interest	\$ 22,476	\$ 34,669	\$ 38,231
<b>NON-CASH TRANSACTIONS</b>			
Liability for real estate additions, including \$489, \$18 and \$125 for development fees due to Vornado in 2020, 2019 and 2018, respectively	\$ 4,955	\$ 3,191	\$ 631
Write-off of fully amortized and/or depreciated assets	876	—	16,090
Reclassification of prepaid real estate taxes to construction in progress for property in redevelopment	—	1,466	—
Lease liability arising from the recognition of right-of-use asset	—	5,428	—
Derecognition of Rego Park II loan participation asset	—	—	195,708

See notes to consolidated financial statements.

## **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).

We have seven properties in the greater New York City metropolitan area consisting of:

### Operating properties

- 731 Lexington Avenue, a 1,323,000 square foot multi-use building, comprising the entire block bounded by Lexington Avenue, East 59<sup>th</sup> Street, Third Avenue and East 58<sup>th</sup> Street in Manhattan. The building contains 920,000 and 155,000 of net rentable square feet of office and retail space, respectively, which we own, and 248,000 square feet of residential space consisting of 105 condominium units, which we sold. Bloomberg L.P. ("Bloomberg") occupies all of the office space. The Home Depot (83,000 square feet) is the principal retail tenant;
- Rego Park I, a 338,000 square foot shopping center, located on Queens Boulevard and 63<sup>rd</sup> Road in Queens. The center is anchored by a 112,000 square foot IKEA, a 50,000 square foot Burlington, a 46,000 square foot Bed Bath & Beyond and a 36,000 square foot Marshalls;
- Rego Park II, a 609,000 square foot shopping center, adjacent to the Rego Park I shopping center in Queens. The center is anchored by a 145,000 square foot Costco and a 133,000 square foot Kohl's, which has been subleased. On September 10, 2020, Century 21 (\$6,400,000 of annual revenue) filed for Chapter 11 bankruptcy and closed its 135,000 square foot store on December 7, 2020;
- The Alexander apartment tower, located above our Rego Park II shopping center, contains 312 units aggregating 255,000 square feet;
- Paramus, located at the intersection of Routes 4 and 17 in Paramus, New Jersey, consists of 30.3 acres of land that is leased to IKEA; and
- Flushing, a 167,000 square foot building, located on Roosevelt Avenue and Main Street in Queens, that is sub-leased to New World Mall LLC for the remainder of our ground lease term.

### Property to be developed

- Rego Park III, a 140,000 square foot land parcel adjacent to the Rego Park II shopping center in Queens, at the intersection of Junction Boulevard and the Horace Harding Service Road.

We have determined that our properties have similar economic characteristics and meet the criteria that permit the properties to be aggregated into one reportable segment (the leasing, management, development and redeveloping of properties in the greater New York City metropolitan area). Our chief operating decision-maker assesses and measures segment operating results based on a performance measure referred to as net operating income at the individual operating segment. Net operating income for each property represents net rental revenues less operating expenses.

## 2. COVID-19 PANDEMIC

Our business has been adversely affected by the ongoing COVID-19 pandemic. In March 2020, our “non-essential” retail tenants were ordered to temporarily close and although substantially all re-opened in the latter part of June 2020, there are limitations on occupancy and other restrictions that affect their ability to resume full operations.

In limited circumstances, we have agreed to and may continue to agree to rent deferrals and abatements for certain of our tenants. We have made the policy election available to us based on the Financial Accounting Standards Board’s (“FASB”) guidance for leases during the COVID-19 pandemic, which allows us to continue recognizing rental revenue for rent deferral agreements and to recognize rent abatements as a reduction to rental revenue in the period granted. See Note 3 - *Summary of Significant Accounting Policies* for additional information.

Overall, we have collected approximately 95% of rent billed for the quarter ended December 31, 2020 (96% including rent deferrals under agreements which generally require repayment in monthly installments over a period of time not to exceed twelve months), including 100% for our office tenant, approximately 90% for our retail tenants (91% including rent deferrals) and approximately 98% for our residential tenants.

On September 10, 2020, Century 21, which leased 135,000 square feet at our Rego Park II shopping center (\$6,400,000 of annual revenue), filed for Chapter 11 bankruptcy and closed its store on December 7, 2020.

Based on our assessment of the probability of collecting rent from certain tenants, we have written off as uncollectible tenant receivables of \$4,122,000 during the year ended December 31, 2020, resulting in a reduction of rental revenues. Of this amount, \$2,716,000 is attributable to Century 21. In addition, we have written off receivables arising from the straight-lining of rents related to these tenants of \$10,837,000 during the year ended December 31 2020, resulting in a reduction of rental revenues. Of this amount, \$5,919,000 is attributable to Century 21. Prospectively, revenue recognition for these tenants will be based on actual amounts received.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation** – The accompanying consolidated financial statements include our accounts and those of our consolidated subsidiaries. All intercompany amounts have been eliminated. Our consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”), which 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Certain prior year balances have been reclassified in order to conform to the current period presentation. For the year ended December 31, 2018, “property rentals” of \$152,795,000 and “expense reimbursements” of \$80,030,000 were grouped into “rental revenues” on our consolidated statements of income in accordance with Accounting Standards Codification (“ASC”) Topic 205 *Presentation of Financial Statements*.

**Recently Issued Accounting Literature** – In March 2020, the FASB issued an update (“ASU 2020-04”) establishing ASC Topic 848, *Reference Rate Reform*. ASU 2020-04 contains practical expedients for reference rate reform related activities that impact debt, leases, derivatives and other contracts. The guidance in ASU 2020-04 is optional and may be elected over time as reference rate reform activities occur. We are currently evaluating the impact of the guidance and our options related to the practical expedients.

In April 2020, the FASB issued a Staff Q&A on accounting for leases during the COVID-19 pandemic, focused on the application of lease guidance in ASC Topic 842, *Leases* (“ASC 842”). The Staff Q&A states that it would be acceptable to make a policy election regarding rent concessions resulting from COVID-19, which would not require entities to account for these rent concessions as lease modifications when total cash flows resulting from the modified contract are “substantially the same or less” than the cash flows in the original contract. Entities making the election will continue to recognize rental revenue on a straight-line basis for qualifying concessions. In limited circumstances, we granted temporary rent deferrals and rent abatements to certain tenants as a result of the COVID-19 pandemic. We have made a policy election in accordance with the Staff Q&A allowing us to not account for these rent concessions as lease modifications. Accordingly, rent abatements are recognized as reductions to “rental revenues” during the period in which they were granted. Rent deferrals result in an increase to “tenant and other receivables” during the deferral period with no impact on rental revenue recognition. For any concessions that do not meet the guidance contained in the Staff Q&A, the modification guidance in accordance with ASC 842 will be applied. See Note 2 - *COVID-19 Pandemic* for further details.



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

**Real Estate** – Real estate is carried at cost, net of accumulated depreciation and amortization. As of December 31, 2020 and 2019, the carrying amount of our real estate, net of accumulated depreciation and amortization, was \$720,921,000 and \$716,843,000, respectively. Maintenance and repairs are generally expensed as incurred. Depreciation requires an estimate by management of the useful life of each property and improvement as well as an allocation of the costs associated with a property to its various components. We capitalize all property operating expenses directly associated with and attributable to, the development and construction of a project, including interest expense. The capitalization period begins when development activities are underway and ends when it is determined that the asset is substantially complete and ready for its intended use, which is typically evidenced by the receipt of a temporary certificate of occupancy. General and administrative costs are expensed as incurred.

Our properties, including properties to be developed in the future, are individually reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment exists when the carrying amount of an asset exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset, including an estimated terminal value calculated using an appropriate capitalization rate. Estimates of future cash flows are based on our current plans, intended holding periods and available market information at the time the analyses are prepared. For our development properties, estimates of future cash flows also include all future expenditures necessary to develop the asset, including interest payments that will be capitalized as part of the cost of the asset. An impairment loss is recognized only if the carrying amount of the asset is not recoverable and is measured based on the excess of the property's carrying amount over its estimated fair value. If our estimates of future cash flows, anticipated holding periods, or fair values change, based on market conditions or otherwise, our evaluation of impairment charges may be different and such differences could be material to our consolidated financial statements. Estimates of future cash flows are subjective and are based, in part, on assumptions regarding future occupancy, rental rates and capital requirements that could differ materially from actual results. Plans to hold properties over longer periods decrease the likelihood of recording impairment losses.

**Revenue Recognition** – Our rental revenues include revenues from the leasing of space to tenants at our properties and revenues from parking and tenant services. We have the following revenue recognition policies:

- Lease revenues from the leasing of space to tenants at our properties. Revenues derived from base rent are recognized over the non-cancelable term of the related leases on a straight-line basis which includes the effects of rent steps and rent abatements. We commence rental revenue recognition when the underlying asset is available for use by the lessee. In addition, in circumstances where we provide a tenant improvement allowance for improvements that are owned by the tenant, we recognize the allowance as a reduction of rental revenue on a straight-line basis over the term of the lease. Revenues derived from the reimbursement of real estate taxes, insurance expenses and common area maintenance expenses are generally recognized in the same period as the related expenses are incurred. As lessor, we have elected to combine the lease components (base and variable rent), non-lease components (reimbursements of common area maintenance expenses) and reimbursement of real estate taxes and insurance expenses from our operating lease agreements and account for the components as a single lease component in accordance with ASC 842.
- Parking revenue arising from the rental of parking spaces at our properties. This income is recognized as the services are transferred in accordance with ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606").
- Tenant services is revenue arising from sub-metered electric, elevator and other services provided to tenants at their request. This revenue is recognized as the services are transferred in accordance with ASC 606.

Under ASC 842, we must assess on an individual lease basis whether it is probable that we will collect substantially all of the future lease payments. We consider the tenant's payment history and current credit status when assessing collectability. When collectability is not deemed probable, we write-off the tenant's receivables, including straight-line rent receivable, and limit lease income to cash received. We recognize changes in the collectability assessment of our operating leases as adjustments to rental revenues.

Prior to the adoption of ASC 842, we maintained an allowance for doubtful accounts for estimated losses on receivables under our lease agreements, including receivables arising from the straight-lining of rent. During the year ended December 31, 2018, we had \$4,459,000 of additions charged against operations and \$5,289,000 of uncollectible accounts written off, with an ending allowance for doubtful accounts balance of \$671,000 as of December 31, 2018.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Cash and Cash Equivalents** – Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less and are carried at cost, which approximates fair value, due to their short-term maturities. The majority of our cash and cash equivalents consist of (i) deposits at major commercial banks, which may at times exceed the Federal Deposit Insurance Corporation limit, (ii) United States Treasury Bills, (iii) money market funds, which invest in United States Treasury Bills and (iv) certificates of deposit placed through an account registry service (“CDARS”). To date we have not experienced any losses on our invested cash.

**Restricted Cash** – Restricted cash primarily consists of security deposits and other cash escrowed under loan agreements, including for debt service, real estate taxes, property insurance and capital improvements.

**Marketable Securities** – Our marketable securities consist of common shares of The Macerich Company (“Macerich”) (NYSE: MAC). These shares are presented at fair value on our consolidated balance sheets and gains and losses resulting from the mark-to-market of these securities are recognized in current period earnings in accordance with ASC Topic 825 (“ASC 825”), *Financial Instruments* (see Note 6).

**Deferred Charges** – Direct financing costs are deferred and amortized over the terms of the related agreements as a component of interest and debt expense. Direct costs related to leasing activities are capitalized and amortized on a straight-line basis over the lives of the related leases. All other deferred charges are amortized on a straight-line basis, which approximates the effective interest rate method, in accordance with the terms of the agreements to which they relate.

**Income Taxes** – We operate in a manner intended to enable us to continue to qualify as a REIT under Sections 856 – 860 of the Internal Revenue Code of 1986, as amended (the “Code”). In order to maintain our qualification as a REIT under the Code, we must distribute at least 90% of our taxable income to stockholders each year. We distribute to our stockholders 100% of our taxable income and therefore, no provision for Federal income taxes is required. Dividends distributed for the year ended December 31, 2020 were characterized, for federal income tax purposes, as 100.0% ordinary income. Dividends distributed for the year ended December 31, 2019 were characterized, for federal income tax purposes, as 99.6% ordinary income and 0.4% long-term capital gain income. Dividends distributed for the year ended December 31, 2018 were categorized, for federal income tax purposes, as 100.0% ordinary income.

The following table reconciles our net income to estimated taxable income for the years ended December 31, 2020, 2019 and 2018.

(Unaudited and in thousands)

	Year Ended December 31,		
	2020	2019	2018
Net income	\$ 41,939	\$ 60,075	\$ 32,844
Straight-line rent adjustments	21,048	2,359	5,870
Depreciation and amortization	2,112	2,751	(6,586)
Change in fair value of marketable securities (see Note 6)	8,599	8,757	11,990
Loss from discontinued operations (see Note 7)	—	—	23,797
Other	7,677	137	440
Estimated taxable income	<u>\$ 81,375</u>	<u>\$ 74,079</u>	<u>\$ 68,355</u>

As of December 31, 2020, the net basis of our assets and liabilities for tax purposes is approximately \$139,364,000 lower than the amount reported for financial statement purposes.

**4. REVENUE RECOGNITION**

The following is a summary of revenue sources for the years ended December 31, 2020, 2019 and 2018.

(Amounts in thousands)	Year Ended December 31,		
	2020	2019	2018
Lease revenues <sup>(1)</sup>	\$ 191,416	\$ 217,251	\$ 223,388
Parking revenue	4,207	5,608	5,680
Tenant services	3,519	3,491	3,757
Rental revenues	<u>\$ 199,142</u>	<u>\$ 226,350</u>	<u>\$ 232,825</u>

(1) Reduced by \$14,959 and \$209 for the years ended December 31, 2020 and 2019, respectively, for the write-off of lease receivables deemed uncollectable (primarily write-offs of receivables arising from the straight-lining of rents).

The components of lease revenues for the years ended December 31, 2020 and 2019 are as follows:

(Amounts in thousands)	Year Ended December 31,	
	2020	2019
Fixed lease revenues	\$ 120,395	\$ 142,679
Variable lease revenues	71,021	74,572
Lease revenues	<u>\$ 191,416</u>	<u>\$ 217,251</u>

**5. RELATED PARTY TRANSACTIONS**

*Vornado*

As of December 31, 2020, 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.

Steven Roth is the Chairman of our Board of Directors and Chief Executive Officer, the Managing General Partner of Interstate Properties (“Interstate”), a New Jersey general partnership, and the Chairman of the Board of Trustees and Chief Executive Officer of Vornado. As of December 31, 2020, Mr. Roth, Interstate and its other two general partners, David Mandelbaum and Russell B. Wight, Jr. (who are also directors of the Company and trustees of Vornado) owned, in the aggregate, 26.1% of our outstanding common stock, in addition to the 2.3% they indirectly own through Vornado. Matthew Iocco, our Chief Financial Officer, is the Executive Vice President - Chief Accounting Officer of Vornado.

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) \$334,000, escalating at 3% per annum, for managing the common area of 731 Lexington Avenue. Vornado is also entitled to a development fee equal to 6% of development costs, as defined.

Leasing and Other 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.

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 and The Alexander apartment tower.

**5. RELATED PARTY TRANSACTIONS - continued**

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

(Amounts in thousands)	Year Ended December 31,		
	2020	2019	2018
Company management fees	\$ 2,800	\$ 2,800	\$ 2,800
Development fees	489	29	125
Leasing fees	276	4,786	13
Property management, cleaning, engineering and security fees	5,051	5,015	4,101
	<u>\$ 8,616</u>	<u>\$ 12,630</u>	<u>\$ 7,039</u>

As of December 31, 2020, the amounts due to Vornado were \$845,000 for management, property management, cleaning, engineering and security fees; \$557,000 for development fees; and \$114,000 for leasing fees. As of December 31, 2019, the amounts due to Vornado were \$795,000 for management, property management, cleaning, engineering and security fees; \$68,000 for development fees; and \$563,000 for leasing fees.

**6. MARKETABLE SECURITIES**

As of December 31, 2020 and 2019, we owned 564,612 and 535,265 common shares, respectively, of Macerich. The increase in shares owned was due to a dividend received in stock from Macerich during the year ended December 31, 2020. As of December 31, 2020 and 2019, the fair value of these shares was \$6,024,000 and \$14,409,000, respectively, based on Macerich's closing share price of \$10.67 per share and \$26.92 per share, respectively. These shares are presented at fair value as "marketable securities" on our consolidated balance sheets and the gains and losses resulting from the mark-to-market of these securities are recognized in current period earnings.

**7. DISCONTINUED OPERATIONS**

In 2012, we sold the Kings Plaza Regional Shopping Center ("Kings Plaza") and paid real property transfer taxes to New York City in connection with the sale. In 2015, the New York City Department of Finance ("NYC DOF") issued a Notice of Determination to us assessing an additional New York City real property transfer tax amount, including interest.

In 2014, in a case with similar facts, the NYC DOF issued a Notice of Determination to a Vornado joint venture assessing an additional New York City real property transfer tax amount, including interest. In January 2017, a New York City administrative law judge made a determination upholding the Vornado joint venture's position that such additional real property transfer taxes were not due. On February 16, 2018, the New York City Tax Appeals Tribunal (the "Tribunal") overturned the January 2017 determination. The Vornado joint venture appealed the Tribunal's decision to the Appellate Division of the Supreme Court of the State of New York and on April 25, 2019, the Tribunal's decision was unanimously upheld. The Vornado joint venture filed a motion to reargue the Appellate Division's decision or for leave to appeal to the New York State Court of Appeals. On December 12, 2019, that motion was denied and the case can no longer be appealed.

Based on the precedent of the Tribunal's decision, we accrued an expense for the potential additional real property transfer taxes of \$23,797,000 (\$15,874,000 of real property transfer tax and \$7,923,000 of interest) during the three months ended March 31, 2018. On April 5, 2018, we paid this amount in order to stop the interest from accruing. As the results related to Kings Plaza were previously classified as discontinued operations, we have classified the expense as "loss from discontinued operations" on our consolidated statement of income for the year ended December 31, 2018 in accordance with the provisions of ASC Topic 360, *Property, Plant and Equipment*. On January 12, 2021, we decided not to further contest the additional real property transfer taxes paid in connection with the sale of Kings Plaza.

**8. MORTGAGES PAYABLE**

On February 14, 2020, we reduced our participation in our Rego Park II shopping center loan to \$50,000,000 and received cash proceeds of approximately \$145,000,000.

On September 14, 2020, we amended and extended the \$350,000,000 mortgage loan on the retail condominium of our 731 Lexington Avenue property. Under the terms of the amendment, we paid down the loan by \$50,000,000 to \$300,000,000, extended the maturity date to August 2025 and guaranteed the interest payments and certain leasing costs. The principal of the loan is non-recourse to us. The interest-only loan is at LIBOR plus 1.40% (1.55% as of December 31, 2020) which is subject to an interest rate swap with a fixed rate of 1.72%.

On October 23, 2020, we completed a financing of The Alexander apartment tower in the amount of \$94,000,000. The interest-only loan has a fixed rate of 2.63% and matures in November 2027.

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.

(Amounts in thousands)	<u>Maturity</u>	<u>Interest Rate at December 31, 2020</u>	<u>Balance at December 31,</u>	
			<u>2020</u>	<u>2019</u>
First mortgages secured by:				
Paramus	Oct. 04, 2021	4.72%	\$ 68,000	\$ 68,000
731 Lexington Avenue, office condominium <sup>(1)</sup>	Jun. 11, 2024	1.06%	500,000	500,000
731 Lexington Avenue, retail condominium <sup>(2)</sup>	Aug. 05, 2025	1.55%	300,000	350,000
Rego Park II shopping center <sup>(3)</sup>	Dec. 12, 2025	1.50%	202,544	56,836
The Alexander apartment tower	Nov. 01, 2027	2.63%	94,000	—
Total			1,164,544	974,836
Deferred debt issuance costs, net of accumulated amortization of \$13,034 and \$14,362, respectively			(8,374)	(3,875)
			<u>\$ 1,156,170</u>	<u>\$ 970,961</u>

- (1) Interest at LIBOR plus 0.90%. Maturity date represents the extended maturity based on our unilateral right to extend.  
(2) Interest at LIBOR plus 1.40% which is subject to an interest rate swap with a fixed rate of 1.72%.  
(3) Interest at LIBOR plus 1.35%. The amount of this loan is net of our loan participation of \$50,000 and \$195,708 as of December 31, 2020 and 2019, respectively.

All of our debt is secured by mortgages and/or pledges of the stock of the subsidiaries holding the properties. The net carrying value of real estate collateralizing the debt amounted to \$657,800,000 as of December 31, 2020. Our existing financing documents contain covenants that limit our ability to incur additional indebtedness on these properties, and in certain circumstances, provide for lender approval of tenants' leases and yield maintenance to prepay them. As of December 31, 2020, the principal repayments (based on the extended loan maturity dates) for the next five years and thereafter are as follows:

(Amounts in thousands)	<b>Amount</b>
<b>Year Ending December 31,</b>	
2021	\$ 68,000
2022	—
2023	—
2024	500,000
2025	502,544
Thereafter	94,000

**9. FAIR VALUE MEASUREMENTS**

ASC Topic 820, *Fair Value Measurement* ("ASC 820") 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 as of December 31, 2020 and 2019 consist of marketable securities which are presented in the table below based on their level in the fair value hierarchy, and an interest rate cap, the fair value of which was insignificant as of December 31, 2020 and 2019. Financial liabilities measured at fair value on our consolidated balance sheet as of December 31, 2020 consist of an interest rate swap which is presented in the table below based on its level in the fair value hierarchy.

(Amounts in thousands)	As of December 31, 2020			
	Total	Level 1	Level 2	Level 3
Assets:				
Marketable securities	\$ 6,024	\$ 6,024	\$ —	\$ —
Liabilities:				
Interest rate swap (included in other liabilities)	\$ 667	\$ —	\$ 667	\$ —

(Amounts in thousands)	As of December 31, 2019			
	Total	Level 1	Level 2	Level 3
Assets:				
Marketable securities	\$ 14,409	\$ 14,409	\$ —	\$ —

*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 and mortgages payable. Cash equivalents are carried at cost, which approximates fair value due to their short-term maturities and are classified as Level 1. 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, and is classified as Level 2. The table below summarizes the carrying amount and fair value of these financial instruments as of December 31, 2020 and 2019.

(Amounts in thousands)	As of December 31, 2020		As of December 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:				
Cash equivalents	\$ 393,070	\$ 393,070	\$ 263,688	\$ 263,688
Liabilities:				
Mortgages payable (excluding deferred debt issuance costs, net)	\$ 1,164,544	\$ 1,130,000	\$ 974,836	\$ 974,000

**10. LEASES**

As Lessor

We lease space to tenants under operating leases in an office building and in retail centers. The rental terms range from approximately 5 to 25 years. The leases provide for the payment of fixed base rents payable monthly in advance as well as reimbursements of real estate taxes, insurance and maintenance costs. Retail leases may also provide for the payment by the lessee of additional rents based on a percentage of their sales. We also lease residential space at The Alexander apartment tower with 1 or 2 year lease terms. We have elected to account for lease revenues (including fixed and variable rent) and the reimbursement of common area maintenance expenses as a single lease component presented as "rental revenues" on our consolidated statements of income.

Future undiscounted cash flows under our contractual non-cancelable operating leases are as follows:

(Amounts in thousands) For the year ending December 31,	As of December 31, 2020
2021	\$ 132,812
2022	126,002
2023	127,115
2024	135,274
2025	124,595
Thereafter	475,364

These amounts do not include reimbursements or additional rents based on a percentage of retail tenants' sales.

Bloomberg accounted for revenue of \$109,066,000, \$109,113,000, and \$107,356,000 in the years ended December 31, 2020, 2019 and 2018, respectively, representing approximately 55%, 48% and 46% of our total revenues in each year, 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 be unable to fulfill its obligations under its lease, it would adversely affect our results of operations and financial condition. In order to assist us in our continuing assessment of Bloomberg's creditworthiness, we receive certain confidential financial information and metrics from Bloomberg. In addition, we access and evaluate financial information regarding Bloomberg from other private sources, as well as publicly available data.

As Lessee

We are the lessee under a ground lease at our Flushing property, classified as an operating lease, which expires in 2027 and has one 10-year extension option. On January 1, 2019, we recorded a right-of-use asset and lease liability related to this ground lease equal to the present value of the remaining minimum lease payments. As of December 31, 2020, the right-of-use asset of \$3,974,000 and the lease liability of \$4,236,000, are included in "other assets" and "other liabilities," respectively, on our consolidated balance sheet. The discount rate applied to measure the right-of-use asset and lease liability is based on the incremental borrowing rate ("IBR") for the property of 4.53%. We considered the general economic environment and factored in various financing and asset specific adjustments so that the IBR was appropriate to the intended use of the underlying lease. As we did not elect to apply hindsight, the lease term assumption determined under ASC Topic 840, *Leases* was carried forward and applied in calculating our lease liability recorded under ASC 842.

**10. LEASES - continued**

Future lease payments under this operating lease, excluding the extension option, are as follows:

(Amounts in thousands)	<u>As of December 31, 2020</u>	
For the year ending December 31,		
2021	\$	800
2022		800
2023		800
2024		800
2025		800
Thereafter		800
Total undiscounted cash flows		<u>4,800</u>
Present value discount		(564)
Lease liability as of December 31, 2020	\$	<u><u>4,236</u></u>

We recognize rent expense as a component of “operating” expenses on our consolidated statements of income on a straight-line basis. Rent expense was \$746,000 in each of the years ended December 31, 2020, 2019 and 2018, respectively. Cash paid for rent expense was \$800,000 in each of the years ended December 31, 2020, 2019 and 2018, respectively.

**11. STOCK-BASED COMPENSATION**

We account for stock-based compensation in accordance with ASC Topic 718, *Compensation – Stock Compensation* (“ASC 718”). Our 2016 Omnibus Stock Plan (the “Plan”) provides for grants of incentive and non-qualified stock options, restricted stock, stock appreciation rights, deferred stock units (“DSUs”) and performance shares, as defined, to the directors, officers and employees of the Company and Vornado.

In May 2020, we granted each of the members of our Board of Directors 329 DSUs with a market value of \$75,000 per grant. The grant date fair value of these awards was \$56,250 per grant, or \$450,000 in the aggregate, in accordance with ASC 718. In addition, 876 DSUs, constituting an initial award with a market value of \$200,000, were granted to a newly appointed Director. The grant date fair value of this award was \$150,000 in accordance with ASC 718. The DSUs entitle the holders to receive shares of the Company’s common stock without the payment of any consideration. The DSUs vested immediately and accordingly, were expensed on the date of grant, but the shares of common stock underlying the DSUs are not deliverable to the grantee until the grantee is no longer serving on the Company’s Board of Directors. As of December 31, 2020, there were 14,916 DSUs outstanding and 490,871 shares were available for future grant under the Plan.



## 12. COMMITMENTS AND CONTINGENCIES

### Insurance

We maintain general liability insurance with limits of \$300,000,000 per occurrence and per property, of which the first \$1,000,000 includes communicable disease coverage, 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 and excluding communicable disease coverage.

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 Act of 2002, as amended to date and which has been extended through December 2027. 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 and the Federal government with no exposure to FNSIC. For NBCR acts, FNSIC is responsible for a \$275,000 deductible and 20% of the balance of a covered loss, and the Federal government is responsible for the remaining 80% 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 or other events. However, we cannot anticipate what coverage will be available on commercially reasonable terms in the future. We are responsible for uninsured losses and for deductibles and losses in excess of our insurance coverage, which could be material.

The principal amounts of our mortgage loans are non-recourse to us and the 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 or refinance our properties.

### Paramus

In 2001, we leased 30.3 acres of land located in Paramus, New Jersey to IKEA. The lease expires in 2041, with a purchase option in October 2021 for \$75,000,000. The property is encumbered by a \$68,000,000 interest-only mortgage loan with a fixed rate of 4.72%, which matures in October 2021. The annual triple-net rent is the sum of \$700,000 plus the amount of interest 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.

### Rego Park I Litigation

In June 2014, Sears Roebuck and Co. ("Sears") filed a lawsuit in the Supreme Court of the State of New York against Vornado and us (and certain of our subsidiaries) with regard to the 195,000 square foot store that Sears formerly leased at our Rego Park I property alleging that the defendants are liable for harm that Sears has suffered as a result of (a) water intrusions into the premises, (b) two fires in February 2014 that caused damages to those premises, and (c) alleged violations of the Americans with Disabilities Act in the premises' parking garage. Sears asserted various causes of actions for damages and sought to compel compliance with landlord's obligations to repair the premises and to provide security, and to compel us to abate a nuisance that Sears claims was a cause of the water intrusions into its premises. In addition to injunctive relief, Sears sought, among other things, damages of not less than \$4,000,000 and future damages it estimated would not be less than \$25,000,000. In March 2016, Sears withdrew its claim for future damages leaving a remaining claim for property damages, which we estimate to be approximately \$650,000 based on information provided by Sears. We intend to defend the remaining claim vigorously. The amount or range of reasonably possible losses, if any, is not expected to be greater than \$650,000. On October 15, 2018, Sears filed for Chapter 11 bankruptcy relief resulting in an automatic stay of this case.

### Letters of Credit

Approximately \$960,000 of standby letters of credit were issued and outstanding as of December 31, 2020.

### 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 position, results of operations or cash flows.

**13. MULTIEMPLOYER BENEFIT PLANS**

Our subsidiaries make contributions to certain multiemployer defined benefit plans (“Multiemployer Pension Plans”) and health plans (“Multiemployer Health Plans”) for our union represented employees, pursuant to the respective collective bargaining agreements.

*Multiemployer Pension Plans*

Multiemployer Pension Plans differ from single-employer pension plans in that (i) contributions to multiemployer plans may be used to provide benefits to employees of other participating employers and (ii) if other participating employers fail to make their contributions, each of our subsidiaries may be required to bear their pro rata share of unfunded obligations. If a participating subsidiary withdraws from a plan in which it participates, it may be subject to a withdrawal liability. As of December 31, 2020, our subsidiaries’ participation in these plans were not significant to our consolidated financial statements.

In the years ended December 31, 2020, 2019 and 2018 our subsidiaries contributed \$191,000, \$172,000 and \$161,000, respectively, towards Multiemployer Pension Plans. Our subsidiaries’ contributions did not represent more than 5% of total employer contributions in any of these plans for the years ended December 31, 2020, 2019 and 2018.

*Multiemployer Health Plans*

Multiemployer Health Plans in which our subsidiaries participate provide health benefits to eligible active and retired employees. In the years ended December 31, 2020, 2019 and 2018 our subsidiaries contributed \$672,000, \$686,000 and \$649,000, respectively, towards these plans.

**14. 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 years ended December 31, 2020, 2019 and 2018.

(Amounts in thousands, except share and per share amounts)	Year Ended December 31,		
	2020	2019	2018
Income from continuing operations	\$ 41,939	\$ 60,075	\$ 56,641
Loss from discontinued operations (see Note 7)	—	—	(23,797)
Net income	<u>\$ 41,939</u>	<u>\$ 60,075</u>	<u>\$ 32,844</u>
Weighted average shares outstanding – basic and diluted	<u>5,120,922</u>	<u>5,118,198</u>	<u>5,116,838</u>
Income from continuing operations	\$ 8.19	\$ 11.74	\$ 11.07
Loss from discontinued operations (see Note 7)	—	—	(4.65)
Net income per common share – basic and diluted	<u>\$ 8.19</u>	<u>\$ 11.74</u>	<u>\$ 6.42</u>

**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

**ITEM 9A. CONTROLS AND PROCEDURES**

Disclosure Controls and Procedures – Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, have 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 Annual Report on Form 10-K. 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.

Internal Control Over Financial Reporting – There have not been any changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended) during the fourth quarter of the fiscal year to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

The management of Alexander’s, Inc., together with its consolidated subsidiaries (the “Company”), is responsible for establishing and maintaining adequate internal control over financial reporting. The Company’s internal control over financial reporting is a process designed under the supervision of the Company’s principal executive and principal financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company’s financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America.

As of December 31, 2020, management conducted an assessment of the effectiveness of the Company’s internal control over financial reporting based on the framework established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has determined that the Company’s internal control over financial reporting as of December 31, 2020 is effective.

The Company’s internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures are being made only in accordance with authorizations of management and the directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the Company’s financial statements.

The effectiveness of the Company’s internal control over financial reporting as of December 31, 2020 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing on page 61 of this Annual Report on Form 10-K, which expresses an unqualified opinion on the effectiveness of the Company’s internal control over financial reporting as of December 31, 2020.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Alexander's, Inc.

### Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Alexander's, Inc. and subsidiaries (the "Company") as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2020, of the Company and our report dated February 16, 2021, expressed an unqualified opinion on those consolidated financial statements.

### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

New York, New York  
February 16, 2021

**ITEM 9B. OTHER INFORMATION**

None.

**PART III****ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

Information relating to our directors, including our audit committee and audit committee financial expert, will be contained in a definitive Proxy Statement involving the election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended. We will file the Proxy Statement with the Securities and Exchange Commission no later than 120 days after December 31, 2020. Such information is incorporated by reference herein. Also incorporated herein by reference is the information under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" of the Proxy Statement.

**Executive Officers of the Registrant**

The following is a list of the names, ages, principal occupations and positions with us of our executive officers and the positions held by such officers during the past five years.

<b>Name</b>	<b>Age</b>	<b>PRINCIPAL OCCUPATION, POSITION AND OFFICE (Current and during past five years with the Company unless otherwise stated)</b>
Steven Roth	79	Chairman of the Board since May 2004 and Chief Executive Officer since March 1995; Chairman of the Board of Vornado Realty Trust since May 1989; Chief Executive Officer of Vornado Realty Trust since April 2013 and from May 1989 to May 2009; a Trustee of Vornado Realty Trust since 1979; and Managing General Partner of Interstate Properties.
Matthew Iocco	50	Chief Financial Officer since April 2017; Executive Vice President - Chief Accounting Officer of Vornado Realty Trust since May 2015; and Senior Vice President - Chief Accounting Officer of Vornado Realty Trust from May 2012 to May 2015.

We have a code of business conduct and ethics that applies to, among others, our Chief Executive Officer and Chief Financial Officer. The code is posted on our website at [www.alx-inc.com](http://www.alx-inc.com). We intend to satisfy our disclosure obligation regarding amendments and waivers of this code applicable to our Chief Executive Officer and Chief Financial Officer by posting such information on our website.

## ITEM 11. EXECUTIVE COMPENSATION

Information relating to executive compensation will be contained in the Proxy Statement referred to in “Item 10. Directors, Executive Officers and Corporate Governance” of this Annual Report on Form 10-K. Such information is incorporated by reference herein.

## ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information relating to security ownership of certain beneficial owners and management and related stockholder matters, except as set forth below, will be contained in the Proxy Statement referred to in “Item 10. Directors, Executive Officers and Corporate Governance” of this Annual Report on Form 10-K. Such information is incorporated by reference herein.

### *Equity Compensation Plan Information*

The following table provides information as of December 31, 2020, regarding our equity compensation.

<b>Plan Category</b>	<b>(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by security holders	14,916	\$ —	490,871
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total</b>	<b>14,916</b>	<b>\$ —</b>	<b>490,871</b>

## ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information relating to certain relationships and related transactions and director independence will be contained in the Proxy Statement referred to in “Item 10. Directors, Executive Officers and Corporate Governance” of this Annual Report on Form 10-K. Such information is incorporated by reference herein.

## ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information relating to principal accounting fees and services will be contained in the Proxy Statement referred to in “Item 10. Directors, Executive Officers and Corporate Governance” of this Annual Report on Form 10-K. Such information is incorporated by reference herein.

**PART IV**

**ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES**

(a) The following documents are filed as part of this Annual Report on Form 10-K.

1. The consolidated financial statements are set forth in Item 8 of this Annual Report on Form 10-K.
2. The following financial statement schedule should be read in conjunction with the financial statements included in Item 8 of this Annual Report on Form 10-K.

	<b>Pages in this Annual Report on Form 10-K</b>
Schedule III – Real Estate and Accumulated Depreciation as of December 31, 2020, 2019 and 2018	65-66

All other financial statement schedules are omitted because they are not applicable, not required, or the information is included elsewhere in the consolidated financial statements or the notes thereto.



**ALEXANDER'S, INC. AND SUBSIDIARIES**  
**SCHEDULE III**  
**REAL ESTATE AND ACCUMULATED DEPRECIATION**

**December 31, 2020**  
(Amounts in thousands)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E			COLUMN F	COLUMN G	COLUMN H	COLUMN I		
Description	Initial Cost to Company <sup>(1)</sup>				Gross Amount at Which Carried at Close of Period				Accumulated Depreciation and Amortization	Date of Construction	Date Acquired <sup>(1)</sup>	Life on which Depreciation in Latest Income Statement is Computed
	Encumbrances <sup>(2)</sup>	Land	Buildings and Leasehold Improvements	Costs Capitalized Subsequent to Acquisition	Land	Buildings and Leasehold Improvements	Development and Construction In Progress	Total <sup>(3)</sup>				
New York, NY												
Rego Park I	\$ —	\$ 1,647	\$ 8,953	\$ 84,261	\$ 1,647	\$ 86,721	\$ 6,493	\$ 94,861	\$ 38,451	1959	1992	3-39 years
Rego Park II	202,544 (4)	3,127	1,467	389,150	3,127	390,114	503	393,744	113,318	2009	1992	3-40 years
The Alexander apartment tower	94,000	—	—	119,112	—	119,112	—	119,112	21,028	2016	1992	3-39 years
Rego Park III	—	779	—	5,292	779	527	4,765	6,071	325	N/A	1992	5-15 years
Flushing	—	—	1,660	(107)	—	1,553	—	1,553	1,146	1975 <sup>(5)</sup>	1992	N/A
Lexington Avenue	800,000	14,432	12,355	416,994	27,497	416,284	—	443,781	175,854	2003	1992	9-39 years
Paramus, NJ	68,000	1,441	—	10,313	11,754	—	—	11,754	—	N/A	1992	N/A
Other Properties	—	167	1,804	(1,804)	167	—	—	167	—	N/A	1992	N/A
<b>TOTAL</b>	<b>\$ 1,164,544</b>	<b>\$ 21,593</b>	<b>\$ 26,239</b>	<b>\$ 1,023,211</b>	<b>\$ 44,971</b>	<b>\$ 1,014,311</b>	<b>\$ 11,761</b>	<b>\$ 1,071,043</b>	<b>\$ 350,122</b>			

(1) Initial cost is as of May 15, 1992 (the date on which the Company commenced its real estate operations).

(2) Excludes deferred debt issuance costs, net of \$8,374.

(3) The net basis of the Company's assets and liabilities for tax purposes is approximately \$139,364 lower than the amount reported for financial statement purposes.

(4) The amount of this loan is net of our \$50,000 loan participation.

(5) Represents the date the lease was acquired.

**ALEXANDER'S, INC. AND SUBSIDIARIES**  
**SCHEDULE III**  
**REAL ESTATE AND ACCUMULATED DEPRECIATION**  
(Amounts in thousands)

	<b>December 31,</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>REAL ESTATE:</b>			
Balance at beginning of period	\$ 1,041,342	\$ 1,027,691	\$ 1,037,368
Changes during the period:			
Land	—	—	—
Buildings and leasehold improvements	31,134	5,579	3,218
Development and construction in progress	(557)	8,072	695
	<u>1,071,919</u>	<u>1,041,342</u>	<u>1,041,281</u>
Less: Fully depreciated assets	(876)	—	(13,590)
Balance at end of period	<u>\$ 1,071,043</u>	<u>\$ 1,041,342</u>	<u>\$ 1,027,691</u>
<b>ACCUMULATED DEPRECIATION:</b>			
Balance at beginning of period	\$ 324,499	\$ 297,421	\$ 283,044
Additions charged to operating expenses	26,499	27,078	27,967
	<u>350,998</u>	<u>324,499</u>	<u>311,011</u>
Less: Fully depreciated assets	(876)	—	(13,590)
Balance at end of period	<u>\$ 350,122</u>	<u>\$ 324,499</u>	<u>\$ 297,421</u>

**ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES - continued**

(b) Exhibits

**Exhibit No.**

- |      |   |  |     |
|------|---|--|-----|
| 3.1  | - | Amended and Restated Certificate of Incorporation. Incorporated herein by reference from Exhibit 3.1 to the registrant's Registration Statement on Form S-3 filed on September 20, 1995  | *   |
| 3.2  | - | By-laws, as amended. Incorporated herein by reference from Exhibit 3(ii) to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000  | *   |
| 4    | - | Description of the Alexander's, Inc. securities registered pursuant to Section 12 of the Securities Exchange Act   | *** |
| 10.1 | - | Real Estate Retention Agreement dated as of July 20, 1992, between Vornado Realty Trust and Keen Realty Consultants, Inc., each as special real estate consultants, and the Company. Incorporated herein by reference from Exhibit 10(i)(O) to the registrant's Annual Report on Form 10-K for the fiscal year ended July 25, 1992   | *   |
| 10.2 | - | Extension Agreement to the Real Estate Retention Agreement, dated as of February 6, 1995, between the Company and Vornado Realty Trust. Incorporated herein by reference from Exhibit 10(i)(G)(2) to the registrant's Annual Report on Form 10-K for the year ended December 31, 1994  | *   |
| 10.3 | - | Agreement of Lease dated as of April 30, 2001 between Seven Thirty One Limited Partnership, landlord, and Bloomberg L.P., tenant. Incorporated herein by reference from Exhibit 10(v) B to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001, filed on August 2, 2001   | *   |
| 10.4 | - | Lease dated as of October 2, 2001 by and between ALX of Paramus LLC, as Landlord, and IKEA Property, Inc. as Tenant. Incorporated herein by reference from Exhibit 10(v)(C)(4) to the registrant's Annual Report on Form 10-K for the year ended December 31, 2001, filed on March 13, 2002  | *   |
| 10.5 | - | First Amendment to Real Estate Retention Agreement, dated as of July 3, 2002, by and between Alexander's, Inc. and Vornado Realty, L.P. Incorporated herein by reference from Exhibit 10(i)(E)(3) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002, filed on August 7, 2002   | *   |
| 10.6 | - | 59th Street Real Estate Retention Agreement, dated as of July 3, 2002, by and between Vornado Realty, L.P., 731 Residential LLC and 731 Commercial LLC. Incorporated herein by reference from Exhibit 10(i)(E)(4) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002, filed on August 7, 2002   | *   |
| 10.7 | - | Amended and Restated Management and Development Agreement, dated as of July 3, 2002, by and between Alexander's, Inc., the subsidiaries party thereto and Vornado Management Corp. Incorporated herein by reference from Exhibit 10(i)(F)(1) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002, filed on August 7, 2002  | *   |
| 10.8 | - | Limited Liability Company Operating Agreement of 731 Residential LLC, dated as of July 3, 2002, among 731 Residential Holding LLC, as the sole member, Domenic A. Borriello, as an Independent Manager and Kim Lutthang, as an Independent Manager. Incorporated herein by reference from Exhibit 10(i)(A)(1) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002, filed on August 7, 2002 | *   |
| 10.9 | - | Limited Liability Company Operating Agreement of 731 Commercial LLC, dated as of July 3, 2002, among 731 Commercial Holding LLC, as the sole member, Domenic A. Borriello, as an Independent Manager and Kim Lutthang, as an Independent Manager. Incorporated herein by reference from Exhibit 10(i)(A)(2) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002, filed on August 7, 2002   | *   |

\* Incorporated by reference.

\*\*\* Filed herewith.

- 10.10 - First Amendment of Lease, dated as of April 19, 2002, between Seven Thirty One Limited Partnership, landlord and Bloomberg L.P., tenant. Incorporated herein by reference from Exhibit 10(v)(B)(2) to the registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2002, filed on August 7, 2002 \*
- 10.11 - Second Amendment to Real Estate Retention Agreement, dated as of January 1, 2007, by and between Alexander's, Inc. and Vornado Realty L.P. Incorporated herein by reference from Exhibit 10.64 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2006, filed on February 26, 2007 \*
- 10.12 - Amendment to 59th Street Real Estate Retention agreement, dated as of January 1, 2007, by and among Vornado Realty L.P., 731 Retail One LLC, 731 Restaurant LLC, 731 Office One LLC and 731 Office Two LLC. Incorporated herein by reference from Exhibit 10.65 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2006, filed on February 26, 2007 \*
- 10.13 - First Amendment to Amended and Restated Management and Development Agreement, dated as of July 6, 2005, by and between Alexander's, Inc., the subsidiaries party thereto and Vornado Management Corp. Incorporated herein by reference from Exhibit 10.52 to the registrant's Annual Report on Form 10-K, for the year ended December 31, 2007, filed on February 25, 2008 \*
- 10.14 - Second Amendment to Amended and Restated Management and Development Agreement, dated as of December 20, 2007, by and between Alexander's, Inc., the subsidiaries party thereto and Vornado Management Corp. Incorporated herein by reference from Exhibit 10.53 to the registrant's Annual Report on Form 10-K, for the year ended December 31, 2007, filed on February 25, 2008 \*
- 10.15 - Third Amendment to Real Estate Retention Agreement, dated as of December 20, 2007, by and between Alexander's, Inc., and Vornado Realty L.P. Incorporated herein by reference from Exhibit 10.55 to the registrant's Annual Report on Form 10-K, for the year ended December 31, 2007, filed on February 25, 2008 \*
- 10.16 - Lease dated as of February 7, 2005, by and between 731 Office One LLC, as Landlord, and Citibank, N.A., as Tenant. Incorporated herein by reference from Exhibit 10.59 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009, filed on May 4, 2009 \*
- 10.17 - Assignment and Assumption and Consent Agreement, dated as of March 25, 2009, by and between 731 Office One LLC, as Landlord, Citicorp North America, Inc., as Assignor, and Bloomberg L.P. as Assignee. Incorporated herein by reference from Exhibit 10.60 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009, filed on May 4, 2009 \*
- 10.18 - Third Amendment to Amended and Restated Management and Development Agreement, dated as of November 30, 2011, by and between Alexander's, Inc., the subsidiaries party thereto and Vornado Management Corp. Incorporated herein by reference from Exhibit 10.49 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2011, filed on February 27, 2012 \*
- 10.19 - Fourth Amendment to Amended and Restated Management and Development Agreement, dated as of August 1, 2012, by and between Alexander's, Inc., the subsidiaries party thereto and Vornado Management Corp. Incorporated herein by reference from Exhibit 10.2 to the registrants Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, filed on November 1, 2012 \*
- 10.20 - Fifth Amendment to Amended and Restated Management and Development Agreement, dated as of December 1, 2012, by and between Alexander's, Inc., the subsidiaries party thereto and Vornado Management Corp. Incorporated herein by reference from Exhibit 10.54 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2012, filed on February 26, 2013 \*

\* \_\_\_\_\_  
Incorporated by reference.

- 10.21 - Loan Agreement, date as of February 28, 2014, by and between 731 Office One LLC, as Borrower, and German American Capital Corporation, as Lender. Incorporated herein by reference from Exhibit 10.1 to the registrant's Quarterly report on Form 10-Q for the quarter ended March 31, 2014, filed on May 5, 2014 \*
- 10.22 - 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. Incorporated herein by reference from Exhibit 10.2 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, filed on May 5, 2014 \*
- 10.23 - 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. Incorporated herein by reference from Exhibit 10.3 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, filed on May 5, 2014 \*
- 10.24 - 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. Incorporated herein by reference from Exhibit 10.4 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, filed on May 5, 2014 \*
- 10.25 - 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. Incorporated herein by reference from Exhibit 10.5 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, filed on May 5, 2014 \*
- 10.26 - 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. Incorporated herein by reference from Exhibit 10.6 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, filed on May 5, 2014 \*
- 10.27 - 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. Incorporated herein by reference from Exhibit 10.7 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, filed on May 5, 2014 \*
- 10.28 - 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. Incorporated herein by reference from Exhibit 10.8 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, filed on May 5, 2014 \*
- 10.29 - 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. Incorporated herein by reference from Exhibit 10.9 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, filed on May 5, 2014 \*
- 10.30 - 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. Incorporated herein by reference from Exhibit 10.10 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, filed on May 5, 2014 \*
- 10.31 - Fourth Amendment to Real Estate Retention Agreement, dated December 22, 2014 by and between Alexander's, Inc. and Vornado Realty, L.P. Incorporated herein by reference from Exhibit 10.56 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2014, filed on February 17, 2015 \*
- 10.32 - Second Amendment to 59th Street Real Estate Retention Agreement, dated December 22, 2014 by and between 731 Retail One LLC, 731 Restaurant LLC, 731 Office Two LLC and Vornado Realty, L.P. Incorporated herein by reference from Exhibit 10.57 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2014, filed on February 17, 2015 \*

\* Incorporated by reference.

- 10.33 - First Amendment to Rego II Real Estate Sub-Retention Agreement, dated December 22, 2014 by and between Alexander's, Inc. and Vornado Realty L.P. Incorporated herein by reference from Exhibit 10.58 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2014, filed on February 17, 2015 \*
- 10.34 - First Amendment to Real-Estate Sub-Retention Agreement, dated December 22, 2014 by and between Alexander's Management LLC and Vornado Realty, L.P. Incorporated herein by reference from Exhibit 10.59 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2014, filed on February 17, 2015 \*
- 10.35 - Loan Agreement, dated as of August 5, 2015, by and between 731 Retail One LLC and 731 Commercial LLC, as Borrower, and JPMorgan Chase Bank, N.A., Wells Fargo Bank, N.A., and Landesbank Baden-Württemberg, New York Branch, as Lenders. Incorporated herein by reference from Exhibit 10.3 to the registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015, filed on November 2, 2015 \*
- 10.36 + - Second Amendment of Lease, dated as of the 12th of January 2016 between 731 Office One LLC and Bloomberg L.P. Incorporated herein by reference from Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, filed on May 2, 2016 \*
- 10.37 \*\* - Form of Alexander's Inc. 2016 Omnibus Stock Plan Deferred Stock Unit Grant Agreement between the Company and certain employees. Incorporated herein by reference from Exhibit 10.4 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, filed on August 1, 2016 \*
- 10.38 - Loan Agreement, dated as of June 1, 2017, between 731 Office One LLC, as Borrower, and Deutsche Bank AG, New York Branch and Citigroup Global Markets Realty Corp. collectively, as Lender. Incorporated herein by reference from Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed on July 31, 2017 \*
- 10.39 - Amended and Restated Loan and Security Agreement, dated and made effective as of December 12, 2018, by and between Rego II Borrower LLC, as Borrower, and Bank of China, New York Branch, as Lender. Incorporated herein by reference from Exhibit 10.55 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2018, filed on February 11, 2019 \*
- 10.40 - Second Amended and Restated Promissory Note, dated December 12, 2018, by and between Rego II Borrower LLC, as Maker, and Bank of China, New York Branch, as Lender. Incorporated herein by reference from Exhibit 10.56 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2018, filed on February 11, 2019 \*
- 10.41 - Second Amended and Restated Mortgage, Assignment of Leases and Rents and Security Agreement, dated December 12, 2018, by and between Rego II Borrower LLC, as Mortgagor, and Bank of China, New York Branch, as Mortgagee. Incorporated herein by reference from Exhibit 10.57 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2018, filed on February 11, 2019 \*
- 10.42 - Amended and Restated Guaranty of Recourse Carveouts, dated December 12, 2018, by Alexander's, Inc., as Guarantor, to and for the benefit of Bank of China, New York Branch, as Lender. Incorporated herein by reference from Exhibit 10.58 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2018, filed on February 11, 2019 \*
- 10.43 - Amended and Restated Environmental Indemnity Agreement, dated December 12, 2018, among Rego II Borrower LLC and Alexander's, Inc., individually or collectively as Indemnitor, in favor of Bank of China, New York Branch, as Lender. Incorporated herein by reference from Exhibit 10.59 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2018, filed on February 11, 2019 \*

\* Incorporated by reference.

\*\* Management contract or compensatory agreement.

+ Portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the Securities and Exchange Commission under Rule 24b-2. The omitted confidential material has been filed separately. The location of the redacted confidential information is indicated in the exhibit as "redacted."

10.44	-	Amended and Restated Participation and Servicing Agreement for Amended and Restated Loan and Security Agreement, dated December 12, 2018, between Bank of China, New York Branch, individually as Lender, Initial A-1 Holder and as the Agent for the Holders, and Alexander's of Rego Park II Participating Lender LLC, individually as Initial A-2 Holder. Incorporated herein by reference from Exhibit 10.60 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2018, filed on February 11, 2019	*
10.45	-	Waiver and Amendment No. 1 to Loan Agreement, dated October 10, 2019, by and among 731 Retail One LLC and 731 Commercial LLC, as Borrower, and JPMorgan Chase Bank, N.A., Wells Fargo Bank, N.A., and Landesbank Baden-Württemberg, New York Branch, as Lenders. Incorporated herein by reference from Exhibit 10.61 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2019, filed on February 18, 2020	*
10.46	-	First Amendment to Amended and Restated Loan and Security Agreement, dated February 14, 2020, by and between Rego II Borrower LLC, as Borrower and Bank of China, New York Branch, as Lender. Incorporated herein by reference from Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, filed on May 4, 2020	*
10.47	-	Amendment and Reaffirmation of Guaranty and Environmental Indemnity Agreement, dated February 14, 2020, by and between Alexander's, Inc., as Guarantor, and Bank of China, New York Branch, as Lender. Incorporated herein by reference from Exhibit 10.2 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, filed on May 4, 2020	*
10.48	-	Second Amended and Restated Participation and Servicing Agreement for Amended and Restated Loan and Security Agreement, dated February 14, 2020, between Bank of China, New York Branch, individually as Lender, Initial A-1 Holder and as the Agent for the Holders, and Alexander's of Rego Park II Participating Lender LLC, individually as Initial A-2 Holder. Incorporated herein by reference from Exhibit 10.3 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, filed on May 4, 2020	*
10.49	-	Omnibus Amendment to Loan Documents and Reaffirmation of Borrower and Guarantor, dated September 14, 2020, by and between 731 Retail One LLC and 731 Commercial LLC as Borrower, Alexander's, Inc. as Guarantor, JPMorgan Chase Bank, N.A. as Administrative Agent on behalf of the Lenders, and the Lenders. Incorporated herein by reference from Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, filed on November 2, 2020	*
10.50	-	Amended and Restated Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated September 14, 2020, by and between 731 Retail One LLC and 731 Commercial LLC as mortgagor and JPMorgan Chase Bank, N.A. as mortgagee and as Administrative Agent for the benefit of the Lenders. Incorporated herein by reference from Exhibit 10.2 to the registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, filed on November 2, 2020	*
10.51	-	Interest Guaranty, dated September 14, 2020, made by Alexander's, Inc. as Guarantor to JPMorgan Chase Bank, N.A. as Administrative Agent for the benefit of the Lenders. Incorporated herein by reference from Exhibit 10.3 to the registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, filed on November 2, 2020	*
10.52	-	Leasing Costs Guaranty, dated September 14, 2020, made by Alexander's, Inc. as Guarantor to JPMorgan Chase Bank, N.A. as Administrative Agent for the benefit of the Lenders. Incorporated herein by reference from Exhibit 10.4 to the registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, filed on November 2, 2020	*
10.53	-	Second Amendment to Amended and Restated Loan and Security Agreement, dated October 23, 2020, by and between Rego II Borrower LLC, as Borrower and Bank of China, New York Branch, as Lender	***
21	-	Subsidiaries of Registrant	***
23	-	Consent of Independent Registered Public Accounting Firm	***

\* Incorporated by reference.

\*\*\* Filed herewith.

- 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 - The following financial information from the Alexander's, Inc. Annual Report on Form 10-K for the year ended December 31, 2020 formatted in Inline Extensible Business Reporting Language (iXBRL) includes: (i) consolidated balance sheets, (ii) consolidated statements of income, (iii) consolidated statements of comprehensive income, (iv) consolidated statements of changes in equity, (v) consolidated statements of cash flows and (vi) the notes to the consolidated financial statements \*\*\*
- 104 - The cover page from the Alexander's, Inc. Annual Report on Form 10-K for the year ended December 31, 2020, formatted as Inline XBRL and contained in Exhibit 101 \*\*\*

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Filed herewith.



**ITEM 16. FORM 10-K SUMMARY**

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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: February 16, 2021

By: /s/ Matthew Iocco

Matthew Iocco, Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

	<u>Signature</u>	<u>Title</u>	<u>Date</u>
By:	<u>/s/Steven Roth</u> (Steven Roth)	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)	February 16, 2021
By:	<u>/s/Matthew Iocco</u> (Matthew Iocco)	Chief Financial Officer (Principal Financial and Accounting Officer)	February 16, 2021
By:	<u>/s/Thomas R. DiBenedetto</u> (Thomas R. DiBenedetto)	Director	February 16, 2021
By:	<u>/s/David Mandelbaum</u> (David Mandelbaum)	Director	February 16, 2021
By:	<u>/s/Mandakini Puri</u> (Mandakini Puri)	Director	February 16, 2021
By:	<u>/s/Wendy Silverstein</u> (Wendy Silverstein)	Director	February 16, 2021
By:	<u>/s/Arthur Sonnenblick</u> (Arthur Sonnenblick)	Director	February 16, 2021
By:	<u>/s/Richard R. West</u> (Richard R. West)	Director	February 16, 2021
By:	<u>/s/Russell B. Wight Jr.</u> (Russell B. Wight Jr.)	Director	February 16, 2021

**DESCRIPTION OF THE ALEXANDER'S, INC. SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT**

The following descriptions are summaries of the material terms and provisions of Alexander's preferred stock and common stock contained in Alexander's certificate of incorporation and Alexander's by-laws. Copies of the certificate of incorporation and by-laws are filed as exhibits to this Annual Report on Form 10-K. Please note that the terms "we," "us," "our," "Company" and "Alexander's" refer to Alexander's, Inc. and its consolidated subsidiaries, unless the context requires otherwise.

**General**

Our certificate of incorporation authorizes the issuance of up to 26,000,000 shares of capital stock, consisting of 10,000,000 shares of common stock, \$1.00 par value per share (the "common stock"), 3,000,000 shares of preferred stock, \$1.00 par value per share (the "preferred stock") and 13,000,000 shares of excess stock, \$1.00 par value per share (the "excess stock"). As of December 31, 2020, 5,173,450 and 5,107,290 shares of common stock were issued and outstanding, respectively. No shares of preferred stock or shares of excess stock are issued and outstanding as of the date of this Annual Report on Form 10-K.

**Dividend and Voting Rights of Holders of Common Stock**

Holders of our common stock are entitled to receive dividends when, if and as authorized by our board of directors out of assets legally available to pay dividends.

Each common share entitles the holder to one vote on all matters voted on by stockholders, including elections of directors. There is no cumulative voting in the election of directors, which means that the holders of a majority of the outstanding common stock can elect all of the directors then standing for election.

Our certificate of incorporation requires the affirmative vote of two-thirds of the outstanding shares of our stock entitled to vote before we may merge with another corporation.

Holders of common stock do not have any conversion, redemption or preemptive rights to subscribe to any securities of our Company. In the event of our dissolution, liquidation or winding-up, after the payment or provision of our debts and other liabilities and the preferential amounts to which holders of our preferred stock are entitled, if any such preferred stock is outstanding, the holders of the common stock are entitled to share ratably in any assets remaining for distribution to stockholders.

The common stock has equal dividend, distribution, liquidation and other rights, and there are no preference, appraisal or exchange rights applicable thereto. All outstanding shares of common stock are, and any shares of common stock offered, upon issuance, will be, fully paid and nonassessable.

American Stock Transfer & Trust Company, LLC, is the transfer agent for the common stock.

## **Restrictions on Ownership of Common Stock**

*The Common Stock Beneficial Ownership Limit.* Our certificate of incorporation contains a number of provisions that restrict the ownership and transfer of shares and are designed to safeguard us against an inadvertent loss of REIT status. These provisions also seek to deter non-negotiated acquisitions of, and proxy fights for, us by third parties. In order to maintain our qualification as a REIT under the Internal Revenue Code, not more than 50% of the value of our outstanding shares of capital stock may be owned, directly or constructively, by five or fewer individuals at any time during the last half of a taxable year and the shares of capital stock 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. The Internal Revenue Code defines “individuals” to include some entities for purposes of the preceding sentence. All references to a holder’s ownership of common stock in this section assumes application of the applicable attribution rules of the Internal Revenue Code under which, for example, a holder is deemed to own shares owned by his or her spouse.

Our certificate of incorporation contains a limitation that restricts stockholders from owning more than 4.9% of the outstanding shares of common stock. In certain circumstances, our board of directors may reduce the common stock beneficial ownership limit to as little as 2%, but only if any person who owns shares in excess of such new limit could continue to do so. Our board of directors has, subject to certain conditions and limitations, exempted our manager, Vornado Realty Trust, and certain of its affiliates from the common stock beneficial ownership limit. As a result, it is less likely as a practical matter that another holder of common stock could obtain an exemption.

*Attribution Rules.* Investors should be aware that under the applicable attribution rules of the Internal Revenue Code, events other than a purchase or other transfer of common stock can result in ownership of common stock in excess of the common stock beneficial ownership limit. For instance, if two stockholders, each of whom owns 3% of the outstanding common stock, were to marry, then after their marriage both stockholders would be deemed to own 6% of the outstanding shares of common stock, which is in excess of the common stock beneficial ownership limit. Similarly, if a stockholder who owns 4% of the outstanding common stock were to purchase a 50% interest in a corporation which owns 3% of the outstanding common stock, then the stockholder would be deemed to own 5.5% of the outstanding shares of common stock.

*The Constructive Ownership Limit.* Under the Internal Revenue Code, rental income received by a REIT from persons with respect to which the REIT is treated, under the applicable attribution rules of the Internal Revenue Code, as owning a 10% or greater interest does not constitute qualifying income for purposes of the income requirements that REITs must satisfy. For these purposes, a REIT is treated as owning any stock owned, under the applicable attribution rules of the Internal Revenue Code, by a person that owns 10% or more of the value of the outstanding shares of the REIT. The attribution rules of the Internal Revenue Code applicable for these purposes are different from those applicable with respect to the common stock beneficial ownership limit. All references to a stockholder’s ownership of common stock in this section assume application of the applicable attribution rules of the Internal Revenue Code.

In order to ensure that our rental income will not be treated as non-qualifying income under the rule described in the preceding paragraph, and thus to ensure that we will not inadvertently lose our REIT status as a result of the ownership of shares of a tenant, or a person that holds an interest in a tenant, our certificate of incorporation contains an ownership limit that restricts, with certain exceptions, stockholders from owning more than 9.9% of the outstanding shares of any class (the “common stock beneficial ownership limit”).

Stockholders should be aware that events other than a purchase or other transfer of shares can result in ownership, under the applicable attribution rules of the Internal Revenue Code, of shares in excess of the constructive ownership limit. As the attribution rules that apply with respect to the constructive ownership limit differ from those that apply with respect to the common stock beneficial ownership limit, the events other than a purchase or other transfer of shares which can result in share ownership in excess of the constructive ownership limit can differ from those which can result in share ownership in excess of the common stock beneficial ownership limit.

*Issuance of Excess Stock if the Ownership Limits Are Violated.* Our certificate of incorporation provides that a transfer of shares of common stock that would otherwise result in ownership, under the applicable attribution rules of the Internal Revenue Code, of common stock in excess of the common stock beneficial ownership limit or the constructive ownership limit, or which would cause the shares of capital stock of Alexander’s to be beneficially owned by fewer than 100 persons, would have no effect and the purported transferee would acquire no rights or economic interest in such common stock. In addition, common stock that would otherwise be owned, under the applicable attribution rules of the Internal Revenue Code, in excess of the common stock beneficial ownership limit or the constructive ownership limit will be automatically exchanged for shares of excess stock. These shares of excess stock would be transferred, by operation of law, to us as trustee of a trust for the exclusive benefit of a beneficiary designated by the purported transferee or purported holder. While held in trust, the trustee shall vote the shares of excess stock in the same proportion as the holders of the outstanding shares of common stock have voted. Any dividends or distributions received by the purported transferee or other purported holder of the excess stock before our discovery of the automatic exchange for shares of excess stock must be repaid to us upon demand.

If the purported transferee or purported holder elects to designate a beneficiary of an interest in the trust with respect to the excess stock, he or she may only designate a person whose ownership of the shares will not violate the common stock beneficial ownership limit or the constructive ownership limit. When the designation is made, the excess stock will be automatically exchanged for common stock. Our certificate of incorporation contains provisions designed to ensure that the purported transferee or other purported holder of shares of excess stock may not receive in return for transferring an interest in the trust with respect to the excess stock, an amount that reflects any appreciation in the shares of common stock for which the shares of excess stock were exchanged during the period that the shares of excess stock were outstanding but will bear the burden of any decline in value during that period. Any amount received by a purported transferee or other purported holder for designating a beneficiary in excess of the amount permitted to be received must be turned over to us. Our certificate of incorporation provides that we may purchase any shares of excess stock that have been automatically exchanged for shares of common stock as a result of a purported transfer or other event. The price at which we may purchase the excess stock will be equal to the lesser of:

- in the case of shares of excess stock resulting from a purported transfer for value, the price per share in the purported transfer that resulted in the automatic exchange for shares of excess stock or, in the case of excess stock resulting from some other event, the market price of the shares of common stock exchanged on the date of the automatic exchange for excess stock, and
- the market price of the shares of common stock exchanged for the excess stock on the date that we accept the deemed offer to sell the excess stock.

Our purchase right with respect to excess stock will exist for 90 days, beginning on the date that the automatic exchange for shares of excess stock occurred or, if we did not receive a notice concerning the purported transfer that resulted in the automatic exchange for shares of excess stock, the date that our board of directors determines in good faith that an exchange for excess stock has occurred.

*Other Provisions Concerning the Restrictions on Ownership.* Our board of directors may exempt certain persons from the common stock beneficial ownership limit or the constructive ownership limit if evidence satisfactory to our board of directors is presented showing that such exemption will not jeopardize our status as a REIT under the Internal Revenue Code. Before granting an exemption of this kind, our board of directors may require a ruling from the Internal Revenue Service, an opinion of counsel satisfactory to it and representations and undertakings from the applicant with respect to preserving our REIT status.

Our board of directors has, subject to certain conditions and limitations, exempted our manager, Vornado Realty Trust, and certain of its affiliates from the common stock beneficial ownership limit. As a result, it is less likely as a practical matter that another holder of common stock could obtain an exemption.

The foregoing restrictions on ownership and transfer will not apply if our board of directors determines that it is no longer in our best interests to attempt to qualify, or continue to qualify, as a REIT. Sections 382 and 383 of the Internal Revenue Code impose limitations upon the utilization of a corporation's net operating loss and credit carryforwards and certain other tax attributes, following significant changes in the corporation's stock ownership. In order to preserve our ability to use net operating loss carryforwards, if any, to reduce taxable income, our certificate of incorporation also contains additional provisions restricting the ownership of our outstanding shares (the "Section 382 ownership restrictions"). The Section 382 ownership restrictions merely reduce the risk of certain occurrences that could cause such a limitation to arise. It is still possible that, due to transfers (either directly or indirectly) of our outstanding shares, we could become subject to a limitation under Section 382 or 383.

Our certificate of incorporation provides, in general, that, subject to the exceptions described in the next paragraph, no person may acquire shares of our Company, or options or warrants to acquire such shares, if as a result such person (or another person to which such shares were attributed under certain complex attribution rules, which differ in certain respects from those that apply for purposes of the common stock beneficial ownership limit or the constructive ownership limit) would own, directly or under such attribution rules, 5% or more of the class of such outstanding shares (hereinafter, such person's "ownership interest percentage"). In addition, subject to the exceptions described in the next paragraph, no person whose ownership interest percentage of a class of shares equals or exceeds 5% can acquire or transfer such shares, or options or warrants to acquire such shares. The foregoing restrictions apply independently to each class of our outstanding stock.

The foregoing restrictions do not apply to (i) acquisitions and transfers of shares of common stock by certain persons and their affiliates whose ownership interest percentage of common stock on September 21, 1993 was 5% or more, (ii) transfers of shares pursuant to an offering by us, to the extent determined by our board of directors, and (iii) other transfers of shares specifically approved by our board of directors.

Transfers of shares, options or warrants in violation of the Section 382 ownership restrictions would be void, and the transferee would acquire no rights in such shares, options or warrants. Thus, a purported acquiror would have no right to vote such shares or to receive dividends. Moreover, upon our demand, a purported acquiror of shares, options or warrants would be required to transfer them to an agent designated by us. The agent, generally, would sell such shares, options or warrants, remit the proceeds thereof to the purported acquiror to the extent of such person's purchase price for the shares and, to the extent possible, remit the balance of the proceeds to such person's transferor. A similar procedure would be applied to any dividends paid to, and to the proceeds of any resale of shares, options or warrants by, the purported acquiror.

Our board of directors has the authority to designate a date as of which the Section 382 ownership restrictions will no longer apply.

All certificates representing shares of common stock will bear a legend referring to the restrictions described above.

All persons who own, directly or by virtue of the applicable attribution rules of the Internal Revenue Code, more than 2% of the shares of outstanding common stock must give a written notice to us containing the information specified in our certificate of incorporation by January 31 of each year. In addition, each stockholder shall upon demand be required to disclose to us such information as we may request, in good faith, in order to determine our status as a REIT or to comply with Treasury Regulations promulgated under the REIT provisions of the Internal Revenue Code.

### **Important Provisions of Delaware Law and Our Certificate of Incorporation and By-Laws**

The following is a summary of important provisions of Delaware law and our certificate of incorporation and by-laws which affect us and our stockholders. The description below is intended as only a summary. You can access complete information by referring to Delaware General Corporation Law and our certificate of incorporation and by-laws.

*Business Combinations with Interested Stockholders Under Delaware Law.* Section 203 of the Delaware General Corporation Law prevents a publicly held corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- before the date on which the person became an interested stockholder, the board of directors of the corporation approved either the business combination or the transaction in which the person became an interested stockholder,
- the interested stockholder owned at least 85% of the outstanding voting stock of the corporation at the beginning of the transaction in which it became an interested stockholder, excluding stock held by directors who are also officers of the corporation and by employee stock plans that do not provide participants with the rights to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer, or
- after the date on which the interested stockholder became an interested stockholder, the business combination is approved by the board of directors and the holders of two-thirds of the outstanding voting stock of the corporation voting at a meeting, excluding the voting stock owned by the interested stockholder.

As defined in Section 203, an “interested stockholder” is generally a person owning 15% or more of the outstanding voting stock of the corporation. As defined in Section 203, a “business combination” includes mergers, consolidations, stock and assets sales and other transactions with the interested stockholder.

The provisions of Section 203 may have the effect of delaying, deferring or preventing a change of control of Alexander’s, Inc.

*Amendment of Our Certificate of Incorporation and By-Laws.* Amendments to our certificate of incorporation must be approved by our board of directors. Unless otherwise required by law, our board of directors may amend our by-laws by a majority vote of the directors then in office.

*Meetings of Stockholders.* Under our by-laws, we will hold annual meetings of our stockholders at a date and time as determined by our board of directors, chairman, vice chairman or president. Our by-laws require advance notice for our stockholders to make nominations of candidates for our board of directors or bring other business before an annual meeting of our stockholders. The chairman or vice chairman shall call special meetings of our stockholders whenever stockholders owning at least a majority of our issued and outstanding shares entitled to vote on matters to be submitted to stockholders shall request in writing such a meeting.

*Board of Directors.* Our board of directors is divided into three classes. As the term of each class expires, directors in that class will be elected for a term of three years and until their successors are duly elected and qualified. These staggered terms may reduce the possibility of an attempt to change control of Alexander’s.



**Second Amendment To Amended and Restated Loan and Security Agreement**

This Second Amendment to Amended and Restated Loan and Security Agreement (this “**Amendment**”) is made and entered into as of October 23, 2020, by and between REGO II BORROWER LLC, a Delaware limited liability company (“**Borrower**”), having an office at c/o Alexander’s, Inc., 210 Route 4 East, Paramus, New Jersey 07652, and BANK OF CHINA, NEW YORK BRANCH, having an address at 7 Bryant Park, 1045 Avenue of the Americas, 13<sup>th</sup> Floor, New York, New York 10018 (together with its successors and assigns, “**Lender**”).

**WITNESSETH:**

**Whereas**, prior hereto, Lender provided certain loans, extensions of credit and other financial accommodations to Borrower pursuant to that certain Amended and Restated Loan and Security Agreement dated as of December 12, 2018 (the “**Original Loan Agreement**”) with respect to a loan in the amount of Two Hundred Fifty-Two Million, Five Hundred Forty-Three Thousand, Six Hundred Six and 53/100 Dollars (\$252,543,606.53) (the “**Mortgage Loan**”).

**Whereas**, to evidence the Mortgage Loan, the Borrower executed in favor of Lender a Promissory Note, dated as of December 12, 2018 in the original principal amount of up to Two Hundred Fifty-Two Million, Five Hundred Forty-Three Thousand, Six Hundred Six and 53/100 Dollars (\$252,543,606.53) (as same may be amended, supplemented, restated, increased, extended and consolidated, substituted or replaced from time to time, the “**Note**”) and the other documents, agreements and instruments referenced in the Loan Agreement or executed and delivered pursuant thereto. To secure the Note, the Borrower granted for the benefit of the Lender, inter alia, a Second Amended and Restated Fee and Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement encumbering the Mortgaged Property dated as of December 12, 2018 (the “**Mortgage**”).

**Whereas**, the Original Loan Agreement was amended by that certain First Amendment to Loan Agreement entered into between Borrower and Lender on February 14, 2020 (collectively with the Original Loan Agreement, the “**Loan Agreement**”).

**Whereas**, Borrower and Lender desire to amend certain terms of the Loan Agreement pursuant to this Amendment and Borrower desires for Lender to approve the terms of that certain First Amendment to Declaration of Rego II Condominium to be entered into on or after the date hereof in substantially the same form as approved by Lender that amends the Condominium Documents (the “**First Amendment to Declaration**”).

**Whereas**, Borrower and Lender are willing to enter into this Amendment, but solely on the terms and subject to the provisions set forth herein and in the other agreements, documents and instruments referenced herein or executed and delivered pursuant hereto.

**Now, Therefore**, in consideration of the foregoing, the mutual promises and understandings of the parties hereto set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender and Borrower hereby agree as set forth in this Amendment.

**I. Definitions:**

A. Use of Defined Terms. Except as expressly set forth in this Amendment, all terms that have an initial capital letter where not required by the rules of grammar are used herein as defined in the Loan Agreement.

B. The following defined term shall be added to the Loan Agreement:

“**Excess Development Rights**” means any development rights, whether as-of right or available on a “bonus” or other discretionary basis, not necessary for the Property to constitute a legal, conforming use, and for the existing structure thereon to be a complying building and operational for its current use.

II. Amendment to Loan Agreement. Effective as of the Amendment Effective Date, the Loan Agreement is hereby amended as follows:

A. If at any time the Applicable Index shall be less than zero (0), then such index shall be deemed to be equal to zero (0) until such time as the Applicable Index increases to an amount greater than zero (0).

B. Lender hereby approves the First Amendment to Declaration and the recordation of the same in the Office of the City Register.

C. Borrower represents that (i) the parking allocation between the Lower Unit and the Upper Unit (as each term is defined in the Condominium Documents) set forth in the First Amendment to Declaration reflects the existing operational practice between the Lower Unit and the Upper Unit and (ii) the reported parking revenues and expenses in the financial statements provided by Borrower to Lender over the past five (5) years do not include as revenues any revenues attributable to parking spaces allocated to the Upper Unit in the First Amendment to Declaration.

D. The following Section 8.8 shall be inserted into the Loan Agreement.

Section 8.8. Excess Development Rights. Lender and Borrower each agree that no collateral value has been or will be attributed to the Excess Development Rights. In furtherance thereof:

(a) Subject to the terms of this Section 8.8 (including, without limitation, Section 8.8(d) and (e)), Lender (i) agrees that at any time from and after the date hereof, and from time to time, Borrower may, at its option, execute a declaration of zoning lot restrictions, a zoning lot development and easement agreement and/or such other documents or instruments as are necessary or desirable to transfer the Excess Development Rights (the “**Development Rights Transfer**”) to another parcel (the “**Benefited Parcel**”) (all of the foregoing declarations, agreements, documents or instruments, together with any of the same described or referred to below in this Section 8.8, collectively, “**Development Rights Documentation**”), (ii) consents to Borrower's execution, delivery and recordation of, and waive any right they may have to execute and deliver, any Development Rights Documentation from time to time, (iii) agrees that Lender shall execute from time to time such Development Rights Documentation approved by Lender in accordance with Section 8.8(e) as Borrower may reasonably request, (iv) releases any rights of Lender, whether now

existing or hereafter arising, in and to the Excess Development Rights and (v) agrees to execute and deliver such instruments and agreements as are reasonably requested by Borrower to permit the owner of the Benefited Parcel to avail itself of any bonus development rights or other Excess Development Rights and the transfer of unused development rights from any other parcel to the Benefited Parcel, including executing and delivering and/or consenting to Borrower's execution and delivery and/or recordation of any related restrictive declaration or maintenance agreement or subway improvement and maintenance agreement. The owner of the Benefited Parcel may be a third party or an Affiliate of Borrower and any restrictions on Affiliate transactions set forth in the Loan Documents shall not apply thereto other than those set forth in this Section 8.8.

(b) Borrower shall not execute or request Lender to execute any Development Rights Documentation in connection with any Development Rights Transfer that may impose upon Borrower any construction or ongoing maintenance, repair or other obligations that would have a Material Adverse Effect. To the extent Borrower is required to perform any construction or ongoing maintenance, repair or other obligations as a result of any Development Rights Transfer, Borrower shall deliver an estimate of such obligations and costs produced by Borrower's Architect, which shall be subject to Lender's review and approval, such approval not to be unreasonably withheld, delayed, or conditioned, and Borrower shall deposit with Lender cash or a Letter of Credit in the amount of the costs of such obligations, which funds or Letter of Credit shall be returned to Borrower following the completion of such obligations.

(c) Lender, at no out-of-pocket cost or expense to Lender and without any liability or obligation on Lender, will cooperate in connection with any Development Rights Transfer. Lender agrees that, except for Borrower's payment of Lender's reasonable out-of-pocket costs and expenses, no fees or other consideration shall be paid to Lender in connection with any Development Rights Transfer, the execution and delivery of any Development Rights Documentation, or confirmation of any of the foregoing, and any and all proceeds of such transfer shall be the sole property of Borrower and not subject to the Lien of the Mortgage or any other Loan Document. Borrower shall pay to Lender within ten (10) Business Days after demand from time to time, all reasonable out-of-pocket costs and expenses incurred by Lender in connection with the matters described in this Section 8.8.

(d) Notwithstanding anything in this Section 8.8 to the contrary, from and after the date hereof, Borrower shall not execute and deliver any declaration of zoning lot restrictions, zoning lot development and easement agreement, or other Development Rights Documentation in connection with a Development Rights Transfer without first delivering such Development Rights Documentation to Lender and obtaining Lender's written approval thereof. As conditions to Lender's written approval pursuant to this Section 8.8(d), Borrower shall (i) provide to Lender the identity of the Benefited Parcel and owner of such Benefited Parcel (including sponsor) and (ii) if known to Borrower or discoverable through commercially reasonable inquiry or investigation, provide Lender with the intended use of the Excess Development Rights, which shall be treated as a representation by Borrower under the Loan Agreement. Any Development Rights Transfer must be a fee interest in the Excess Development Rights to another entity, as opposed to a leasehold or

easement interest where Borrower retains a continued interest in the Excess Development Rights. Provided that the conditions of this Section 8.8 are satisfied, Lender's approval of any proposed Development Rights Transfer and corresponding Development Rights Documentation shall not be unreasonably withheld, delayed or conditioned (it being understood that the continuance of an Event of Default hereunder shall not be a reasonable basis for withholding such approval), however it is agreed that the occurrence of a Material Adverse Effect as a result of the proposed Development Rights Transfer shall be reasonable cause for Lender's disapproval. For the avoidance of doubt, the proceeds received from any Development Rights Transfer are not required to be delivered to Lender.

(e) Lender shall execute and deliver to Borrower any instrument requested by Borrower subordinating the Lien of the Mortgage and any other Loan Document to any Development Rights Documentation approved by Lender in accordance with this Section 8.8, provided that such instrument shall be in form and substance reasonably acceptable to Lender, it being understood that any such subordination shall not result in the subordination of the Lien of the Mortgage and any other Loan Documents to any judgments or liens in favor of third parties arising under such Development Rights Documentation as a result of Borrower's or any party's failure to comply with terms of such Development Rights Documentation. Lender shall use commercially reasonable efforts to execute and deliver any Development Rights Documentation requested by Borrower that complies with the terms and conditions of this Section 8.8 within fifteen (15) Business Days after written request by Borrower and, if Lender is unable to execute any such Development Rights Documentation within such period, Lender will execute and deliver such Development Rights Documentation as soon as is reasonably practicable thereafter.

E. The following Section 14.1.2(k) shall be added to the Loan Agreement as a Carveout from Non-Recourse Obligations:

k. a conveyance by Borrower of the Excess Development Rights.

III. **Conflict.** If, and to the extent, the terms and provisions of this Amendment contradict or conflict with the terms and provisions of the Loan Agreement, the terms and provisions of this Amendment shall govern and control; provided, however, to the extent the terms and provisions of this Amendment do not contradict or conflict with the terms and provisions of the Loan Agreement, the Loan Agreement, as amended by this Amendment, shall remain in and have its intended full force and effect, and Lender and Borrower hereby affirm, confirm and ratify the same.

IV. **Severability.** Wherever possible, each provision of this Amendment shall be interpreted in such manner as to be valid and enforceable under applicable law, but if any provision of this Amendment is held to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be severed herefrom and such invalidity or unenforceability shall not affect any other provision of this Amendment, the balance of which shall remain in and have its intended full force and effect; provided, however, if such provision may be modified so as to be valid and enforceable as a matter of law, such provision shall be deemed to be modified so as to be valid and enforceable to the maximum extent permitted by law.

V. **Fees, Costs and Expenses.** Borrower agrees to pay, upon demand, all reasonable, out-of-pocket costs and expenses of Lender, including, but not limited to, reasonable attorneys' fees, in connection with the preparation, execution, delivery and administration of this Amendment and the other agreements, documents and instruments executed and delivered in connection herewith or pursuant hereto.

VI. **Choice of Law.** This Amendment shall be governed by and construed in accordance with the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflicts of law as to all matters, including matters of validity, construction, effect, performance and remedies.

VII. **Counterparts.** This Amendment may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. A facsimile or email transmitted executed counterpart to this Amendment and the other agreements, documents and instruments executed in connection herewith will be deemed an acceptable original for purposes of consummating this Amendment and such other agreements, documents and instruments; provided, however, Borrower shall be required to deliver to the Lender original executed signature pages in substitution for said facsimile or email transmitted signature pages upon the Lender's request therefor.

VIII. **Waiver of Jury Trial; Exclusive Jurisdiction.** **BORROWER AND LENDER EACH, AND ALL PERSONS CLAIMING BY, THROUGH OR UNDER IT, HEREBY EXPRESSLY, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (a) ARISING UNDER THIS AMENDMENT, INCLUDING, WITHOUT LIMITATION, ANY PRESENT OR FUTURE MODIFICATION HEREOF, OR (b) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AMENDMENT (AS NOW OR HEREAFTER MODIFIED) OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION IS NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND BORROWER AND LENDER EACH HEREBY AGREES AND CONSENTS THAT AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION MAY BE FILED WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT HERETO TO THE WAIVER OF ANY RIGHT TO TRIAL BY JURY. BORROWER AND LENDER EACH ACKNOWLEDGES THAT IT HAS CONSULTED WITH LEGAL COUNSEL REGARDING THE MEANING OF THIS WAIVER AND ACKNOWLEDGES THAT THIS WAIVER IS AN ESSENTIAL INDUCEMENT FOR THE ENTERING INTO THIS AMENDMENT. THIS WAIVER SHALL SURVIVE THE REPAYMENT OF THE LOAN.**

**ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST LENDER OR BORROWER ARISING OUT OF OR RELATING TO THIS AMENDMENT SHALL BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, COUNTY OF NEW YORK, PURSUANT TO SECTION 5-1402 OF THE NEW YORK GENERAL**

**OBLIGATIONS LAW AND BORROWER AND LENDER EACH WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND BORROWER AND LENDER EACH HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING.**

*[signature page follows]*

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their duly authorized representatives, all as of the day and year first above written.

**BORROWER:**

**REGO II BORROWER LLC,**  
a Delaware limited liability company

By: **ALEXANDER'S OF REGO PARK II, INC.,**  
a Delaware corporation, its sole member

By: /s/ Joseph Macnow  
Name: Joseph Macnow

Title: Treasurer

LENDER:

**BANK OF CHINA, NEW YORK BRANCH**

By: /s/ Raymond Qiao

Name: Raymond Qiao

Title: EVP



**ALEXANDER'S, INC.  
SUBSIDIARIES OF REGISTRANT**

<b>Name of Subsidiary</b>	<b>State of Organization</b>
731 Commercial Holding LLC	Delaware
731 Commercial LLC	Delaware
731 Office One Holding LLC	Delaware
731 Office One LLC	Delaware
731 Office Two Holding LLC	Delaware
731 Office Two LLC	Delaware
731 Restaurant, LLC	Delaware
731 Retail One, LLC	Delaware
Alexander's Construction LLC	Delaware
Alexander's Kings Plaza, LLC	Delaware
Alexander's Management LLC	Delaware
Alexander's of Brooklyn, Inc.	Delaware
Alexander's of Flushing, Inc.	Delaware
Alexander's of Rego Park II, Inc.	Delaware
Alexander's of Rego Park III, Inc.	Delaware
Alexander's Rego Shopping Center Inc.	Delaware
Alexander's of Rego Park II Participating Lender LLC	Delaware
Alexander's of Rego Residential LLC	Delaware
Alexander's of Rego Residential Holdings LLC	Delaware
ALX C21 LLC	Delaware
ALX of Paramus LLC	Delaware
Fifty Ninth Street Insurance Company LLC	Vermont
Kings Parking, LLC	Delaware
Kings Plaza TEP LLC	Delaware
Rego II Borrower LLC	Delaware

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement No. 333-224054 on Form S-3 and Registration Statement No. 333-212838 on Form S-8 of our reports dated February 16, 2021, relating to the financial statements and financial statement schedules of Alexander's, Inc., and the effectiveness of Alexander's, Inc.'s internal control over financial reporting, appearing in this Annual Report on Form 10-K of Alexander's, Inc. for the year ended December 31, 2020.

/s/ Deloitte & Touche LLP

New York, New York  
February 16, 2021

## CERTIFICATION

I, Steven Roth, certify that:

1. I have reviewed this Annual Report on Form 10-K of Alexander's, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure control and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 16, 2021

/s/ Steven Roth

\_\_\_\_\_  
Steven Roth

Chairman of the Board and  
Chief Executive Officer

## CERTIFICATION

I, Matthew Iocco, certify that:

1. I have reviewed this Annual Report on Form 10-K of Alexander's, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure control and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 16, 2021

/s/ Matthew Iocco

Matthew Iocco

Chief Financial Officer

**CERTIFICATION**

**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002  
(Subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code)**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Alexander's, Inc. (the "Company"), hereby certifies, to such officer's knowledge, that:

The Annual Report on Form 10-K for year ended December 31, 2020 (the "Report") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 16, 2021

Name: /s/ Steven Roth  
Steven Roth  
Title: Chairman of the Board and  
Chief Executive Officer

**CERTIFICATION****Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002  
(Subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code)**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Alexander's, Inc. (the "Company"), hereby certifies, to such officer's knowledge, that:

The Annual Report on Form 10-K for year ended December 31, 2020 (the "Report") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 16, 2021

/s/ Matthew Iocco  
Name: Matthew Iocco  
Title: Chief Financial Officer