

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2000
OR

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

For the transition period from.....to.....
Commission file number 1-13274

Mack-Cali Realty Corporation

(Exact name of registrant as specified in its charter)

Maryland

22-3305147

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

11 Commerce Drive, Cranford, New Jersey 07016-3501

(Address or principal executive office)
(Zip Code)

(908) 272-8000

(Registrant's telephone number, including area code)

Not Applicable

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

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

As of April 28, 2000, there were 58,705,898 shares of \$0.01 par value common
stock outstanding.

MACK-CALI REALTY CORPORATION

FORM 10-Q

INDEX

<TABLE>
<CAPTION>

PART I	FINANCIAL INFORMATION	PAGE
	Item 1. Financial Statements:	
<S>	Consolidated Balance Sheets as of March 31, 2000 and December 31, 1999	<C> 4
	Consolidated Statements of Operations for the three months ended March 31, 2000 and 1999	5
	Consolidated Statement of Changes in Stockholders' Equity for the three months ended March 31, 2000	6
	Consolidated Statements of Cash Flows for the three months ended March 31, 2000 and 1999	7
	Notes to Consolidated Financial Statements	8

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	30
Item 3. Quantitative and Qualitative Disclosures about Market Risk	55
PART II OTHER INFORMATION AND SIGNATURES	
Item 1. Legal Proceedings	56
Item 2. Changes in Securities and Use of Proceeds	56
Item 3. Defaults Upon Senior Securities	56
Item 4. Submission of Matters to a Vote of Security Holders	56
Item 5. Other Information	56
Item 6. Exhibits	57
Signatures	60

MACK-CALI REALTY CORPORATION

PART I - FINANCIAL INFORMATION

ITEM I. FINANCIAL STATEMENTS

The accompanying unaudited consolidated balance sheets, statements of operations, of changes in stockholders' equity, and of cash flows and related notes, have been prepared in accordance with generally accepted accounting principles ("GAAP") for interim financial information and in conjunction with the rules and regulations of the Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the disclosures required by GAAP for complete financial statements. The financial statements reflect all adjustments consisting only of normal, recurring adjustments, which are in the opinion of management, necessary for a fair presentation for the interim periods.

The aforementioned financial statements should be read in conjunction with the notes to the aforementioned financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements and notes thereto included in Mack-Cali Realty Corporation's Annual Report on Form 10-K and Form 10-K/A for the fiscal year ended December 31, 1999.

The results of operations for the three months ended March 31, 2000 are not necessarily indicative of the results to be expected for the entire fiscal year or any other period.

MACK-CALI REALTY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>

<CAPTION>

	March 31, 2000	December 31, 1999
ASSETS		

<S>	<C>	<C>
Rental property		
Land and leasehold interests	\$ 552,893	\$ 549,096
Buildings and improvements	3,041,833	3,014,532
Tenant improvements	91,788	85,057
Furniture, fixtures and equipment	6,200	6,160
	3,692,714	3,654,845
Less - accumulated depreciation and amortization	(277,065)	(256,629)
	3,415,649	3,398,216
Cash and cash equivalents	6,174	8,671
Investments in unconsolidated joint ventures	91,497	89,134
Unbilled rents receivable	55,386	53,253
Deferred charges and other assets, net	66,805	66,436
Restricted cash	6,390	7,081
Accounts receivable, net of allowance for doubtful accounts		

of \$679 and \$672	8,855	6,810
Total assets	\$ 3,650,756	\$ 3,629,601
LIABILITIES AND STOCKHOLDERS' EQUITY		
Senior unsecured notes	\$ 782,863	\$ 782,785
Revolving credit facilities	216,208	177,000
Mortgages and loans payable	529,432	530,390
Dividends and distributions payable	42,501	42,499
Accounts payable and accrued expenses	50,674	63,394
Rents received in advance and security deposits	38,395	36,150
Accrued interest payable	5,630	16,626
Total liabilities	1,665,703	1,648,844
MINORITY INTERESTS:		
Operating Partnership	454,717	455,275
Partially-owned properties	84,497	83,600
Total minority interests	539,214	538,875
Commitments and contingencies		
STOCKHOLDERS' EQUITY:		
Preferred stock, 5,000,000 shares authorized, none issued	--	--
Common stock, \$0.01 par value, 190,000,000 shares authorized, 58,489,135 and 58,446,552 shares outstanding	584	584
Additional paid-in capital	1,550,989	1,549,888
Dividends in excess of net earnings	(101,211)	(103,902)
Unamortized stock compensation	(4,523)	(4,688)
Total stockholders' equity	1,445,839	1,441,882
Total liabilities and stockholders' equity	\$3,650,756	\$3,629,601

</TABLE>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

4

MACK-CALI REALTY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>

<CAPTION>

REVENUES	Three Months Ended March 31,	
	2000	1999
Base rents	\$ 121,598	\$ 116,080
Escalations and recoveries from tenants	16,668	14,860
Parking and other	3,322	3,900
Equity in earnings (loss) of unconsolidated joint ventures	1,137	(206)
Interest income	254	255
Total revenues	142,979	134,889
EXPENSES		
Real estate taxes	14,704	13,843
Utilities	10,379	9,592
Operating services	17,742	17,087
General and administrative	6,113	7,963
Depreciation and amortization	22,182	21,969
Interest expense	26,426	23,622
Total expenses	97,546	94,076
Income before gain on sale of land and minority interests	45,433	40,813
Gain on sale of land	2,248	--
Income before minority interests	47,681	40,813

Minority interests:		
Operating Partnership	8,976	8,749
Partially-owned properties	2,090	--

Net income	\$ 36,615	\$ 32,064
=====		
Basic earnings per share	\$ 0.63	\$ 0.55
Diluted earnings per share	\$ 0.62	\$ 0.55

Dividends declared per common share	\$ 0.58	\$ 0.55

Basic weighted average shares outstanding	58,295	58,162
Diluted weighted average shares outstanding	73,191	67,283

</TABLE>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

5

MACK-CALI REALTY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (IN THOUSANDS)

<TABLE>
<CAPTION>

	Common Stock Shares	Par Value	Additional Paid-In Capital	Dividends in Excess of Net Earnings	Unamortized Stock Compensation	Total Stockholders' Equity

<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at January 1, 2000	58,447	\$ 584	\$1,549,888	\$ (103,902)	\$ (4,688)	\$1,441,882
Net income	--	--	--	36,615	--	36,615
Dividends	--	--	--	(33,924)	--	(33,924)
Redemption of common units for shares of common stock	37	--	957	--	--	957
Proceeds from stock options exercised	5	--	117	--	--	117
Deferred compensation plan for directors	--	--	27	--	--	27
Amortization of stock compensation	--	--	--	--	165	165

Balance at March 31, 2000	58,489	\$ 584	\$1,550,989	\$ (101,211)	\$ (4,523)	\$1,445,839
=====						

</TABLE>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

6

MACK-CALI REALTY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (IN THOUSANDS)

<TABLE>
<CAPTION>

	Three Months Ended March 31,	
	2000	1999

CASH FLOWS FROM OPERATING ACTIVITIES		

<S>	<C>	<C>
Net income	\$36,615	\$32,064
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	22,182	21,969
Amortization of stock compensation	165	--
Amortization of deferred financing costs and debt discount	901	601
Equity in (earnings) loss of unconsolidated joint ventures	(1,137)	206
Gain on sale of land	(2,248)	--
Minority interests	11,066	8,749
Changes in operating assets and liabilities:		
Increase in unbilled rents receivable	(2,133)	(3,538)

Increase in deferred charges and other assets, net	(2,857)	(1,866)
Increase in accounts receivable, net	(2,045)	(2,846)
(Decrease) increase in accounts payable and accrued expenses	(12,720)	148
Increase in rents received in advance and security deposits	2,245	2,575
(Decrease) increase in accrued interest payable	(10,996)	1,592

Net cash provided by operating activities	\$39,038	\$59,654
=====		
CASH FLOWS FROM INVESTING ACTIVITIES		

Additions to rental property	\$ (39,801)	\$ (21,673)
Investments in unconsolidated joint ventures	(2,625)	(22,474)
Distributions from unconsolidated joint ventures	1,299	1,040
Proceeds from sale of land	4,179	--
Decrease (increase) in restricted cash	691	(352)

Net cash used in investing activities	\$ (36,257)	\$ (43,459)
=====		
CASH FLOWS FROM FINANCING ACTIVITIES		

Proceeds from senior unsecured notes	\$ --	\$597,252
Proceeds from revolving credit facilities	67,876	40,900
Proceeds from mortgages and loans payable	--	45,500
Repayments of revolving credit facilities	(28,668)	(601,900)
Repayments of mortgages and loans payable	(869)	(44,932)
Distributions from consolidated partially-owned properties	(1,193)	--
Repurchase of common stock	--	(713)
Payment of financing costs	(42)	(5,574)
Proceeds from stock options exercised	117	433
Payment of dividends and distributions	(42,499)	(40,564)

Net cash used in financing activities	\$ (5,278)	\$ (9,598)
=====		
Net (decrease) increase in cash and cash equivalents	\$ (2,497)	\$ 6,597
Cash and cash equivalents, beginning of period	\$ 8,671	\$ 5,809

Cash and cash equivalents, end of period	\$ 6,174	\$12,406
=====		

</TABLE>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

7

MACK-CALI REALTY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (DOLLARS IN THOUSANDS, EXCEPT PER SHARE/UNIT AMOUNTS)

1. ORGANIZATION AND BASIS OF PRESENTATION

ORGANIZATION

Mack-Cali Realty Corporation, a Maryland corporation, and subsidiaries (the "Company"), is a fully-integrated, self-administered, self-managed real estate investment trust ("REIT") providing leasing, management, acquisition, development, construction and tenant-related services for its properties. As of March 31, 2000, the Company owned or had interests in 266 properties plus developable land (collectively, the "Properties"). The Properties aggregate approximately 29.0 million square feet, and are comprised of 163 office buildings and 90 office/flex buildings totaling approximately 28.6 million square feet (which includes eight office buildings and four office/flex buildings aggregating 1.5 million square feet, owned by unconsolidated joint ventures in which the Company has investment interests), six industrial/warehouse buildings totaling approximately 387,400 square feet, two multi-family residential complexes consisting of 451 units, two stand-alone retail properties and three land leases. The Properties are located in 12 states, primarily in the Northeast, plus the District of Columbia.

BASIS OF PRESENTATION

The accompanying consolidated financial statements include all accounts of the Company, its majority-owned and/or controlled subsidiaries, which consist principally of Mack-Cali Realty, L.P. ("Operating Partnership"). See Investments in Unconsolidated Joint Ventures in Note 2 for the Company's treatment of unconsolidated joint venture interests. All significant intercompany accounts and transactions have been eliminated.

The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. SIGNIFICANT ACCOUNTING POLICIES

RENTAL
PROPERTY

Rental properties are stated at cost less accumulated depreciation and amortization. Costs directly related to the acquisition and development of rental properties are capitalized. Capitalized development costs include interest, property taxes, insurance and other project costs incurred during the period of development. Included in total rental property is construction-in-progress of \$131,488 and \$103,977 as of March 31, 2000 and December 31, 1999, respectively. Ordinary repairs and maintenance are expensed as incurred; major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives. Fully-depreciated assets are removed from the accounts.

Properties are depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

<TABLE> <S>	Leasehold interests	<C>	Remaining lease term
-	Buildings and improvements		5 to 40 years
-	Tenant improvements		The shorter of the term of the related lease or useful life
-	Furniture, fixtures and equipment		5 to 10 years

</TABLE>

On a periodic basis, management assesses whether there are any indicators that the value of the real estate properties may be impaired. A property's value is impaired only if management's estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property are less than the carrying value of the property. To

the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the property over the fair value of the property. Management does not believe that the value of any of its rental properties is impaired.

When assets are identified by management as held for sale, the Company discontinues depreciating the assets and estimates the sales price, net of selling costs, of such assets. If, in management's opinion, the net sales price of the assets which have been identified for sale is less than the net book value of the assets, a valuation allowance is established.

INVESTMENTS IN
UNCONSOLIDATED
JOINT VENTURES

The Company accounts for its investments in unconsolidated joint ventures under the equity method of accounting as the Company exercises significant influence, but does not control these entities. These investments are recorded initially at cost, as Investments in Unconsolidated Joint Ventures, and subsequently adjusted for equity in earnings (loss) and cash contributions and distributions. Any difference between the carrying amount of these investments on the balance sheet of the Company and the underlying equity in net assets is amortized as an adjustment to equity in earnings (loss) of unconsolidated joint ventures over 40 years. See Note 4.

CASH AND CASH
EQUIVALENTS

All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

DEFERRED
FINANCING
COSTS

Costs incurred in obtaining financing are capitalized and amortized on a straight-line basis, which approximates the effective interest method, over the term of the related indebtedness. Amortization of such costs is included in interest expense and was \$901 and \$601 for the three months ended March 31, 2000 and 1999, respectively.

DEFERRED
LEASING COSTS

Costs incurred in connection with leases are capitalized and amortized on a straight-line basis over the terms of the related leases and included in depreciation and amortization. Unamortized deferred leasing costs are charged to amortization expense upon early termination of the lease. Certain employees of the Company provide leasing services to the Properties and receive compensation based on space leased. The portion of such compensation which is capitalized and amortized, approximated \$693 and \$658 for the three months ended March 31, 2000 and 1999, respectively.

REVENUE
RECOGNITION

Base rental revenue is recognized on a straight-line basis over the terms of the respective leases. Unbilled rents receivable represents the amount by which straight-line rental revenue exceeds rents currently billed in accordance with the lease agreements. Parking revenue includes income from parking spaces leased to tenants. Rental income on residential property under operating leases having terms generally of one year or less is recognized when earned.

Reimbursements are received from tenants for certain costs as provided in the lease agreements. These costs generally include real estate taxes, utilities, insurance, common area maintenance and other recoverable costs. See Note 14.

9

INCOME AND
OTHER TAXES

The Company has elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"). As a REIT, the Company generally will not be subject to federal income tax to the extent it distributes at least 95 percent of its REIT taxable income to its shareholders and satisfies certain other requirements. REITs are subject to a number of organizational and operational requirements. If the Company fails to qualify as a REIT in any taxable year, the Company will be subject to federal income tax (including any applicable alternative minimum tax) on its taxable income at regular corporate tax rates. The Company is subject to certain state and local taxes.

INTEREST RATE
CONTRACTS

Interest rate contracts are utilized by the Company to reduce interest rate risks. The Company does not hold or issue derivative financial instruments for trading purposes. The differentials to be received or paid under contracts designated as hedges are recognized over the life of the contracts as adjustments to interest expense.

In certain situations, the Company uses forward treasury lock agreements to mitigate the potential effects of changes in interest rates for prospective transactions. Gains and losses are deferred and amortized as adjustments to interest expense over the remaining life of the associated debt to the extent that such debt remains outstanding.

EARNINGS
PER SHARE

In accordance with the Statement of Financial Accounting Standards No. 128 ("FASB No. 128"), the Company presents both basic and diluted earnings per share ("EPS"). Basic EPS excludes dilution and is computed by dividing net income available to common stockholders by the weighted average number of shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock, where such exercise or conversion would result in a lower EPS amount.

DIVIDENDS AND
DISTRIBUTIONS
PAYABLE

The dividends and distributions payable at March 31, 2000 represents dividends payable to shareholders of record as of

April 5, 2000 (58,489,135 shares), distributions payable to minority interest common unitholders (8,116,827 common units) on that same date and preferred distributions payable to preferred unitholders (229,304 preferred units) for the first quarter 2000. The first quarter 2000 dividends and common unit distributions of \$0.58 per share and per common unit, as well as the first quarter preferred unit distribution of \$16.875 per preferred unit, were approved by the Board of Directors on March 20, 2000 and paid on April 24, 2000.

The dividends and distributions payable at December 31, 1999 represents dividends payable to shareholders of record as of January 4, 2000 (58,450,552 shares), distributions payable to minority interest common unitholders (8,153,710 common units) on that same date and preferred distributions payable to preferred unitholders (229,304 preferred units) for the fourth quarter 1999. The fourth quarter 1999 dividends and common unit distributions of \$0.58 per share and per common unit (pro-rated for units issued during the quarter), as well as the fourth quarter preferred unit distribution of \$16.875 per preferred unit, were approved by the Board of Directors on December 17, 1999 and paid on January 21, 2000.

UNDERWRITING
COMMISSIONS
AND COSTS

Underwriting commissions and costs incurred in connection with the Company's stock offerings are reflected as a reduction of additional paid-in-capital.

10

STOCK OPTIONS

The Company accounts for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations ("APB No. 25"). Under APB No. 25, compensation cost is measured as the excess, if any, of the quoted market price of the Company's stock at the date of grant over the exercise price of the option granted. Compensation cost for stock options, if any, is recognized ratably over the vesting period. The Company's policy is to grant options with an exercise price equal to the quoted closing market price of the Company's stock on the business day preceding the grant date. Accordingly, no compensation cost has been recognized for the Company's stock option plans.

RECLASSIFICATIONS

Certain reclassifications have been made to prior period amounts in order to conform with current period presentation.

3. ACQUISITIONS/TRANSACTIONS

2000 TRANSACTIONS

ACQUISITIONS

On January 13, 2000, the Company acquired approximately 12.7 acres of developable land located at the Company's Airport Business Center, Lester, Delaware County, Pennsylvania. The land was acquired for approximately \$2,069.

On March 24, 2000, the Company acquired 2 Executive Drive, a 60,800 square-foot office/flex building located in Moorestown, Burlington County, New Jersey, through the exercise of a purchase option obtained in the initial acquisition of the McGarvey portfolio in January 1998. The building was acquired for approximately \$3,985.

DISPOSITIONS

On February 25, 2000, the Company sold 39.1 acres of vacant land located at the Company's Horizon Center Business Park in Hamilton Township, Mercer County, New Jersey for net proceeds, after selling costs, of approximately \$4,179.

On April 17, 2000, the Company sold its property at 95 Christopher Columbus Drive, located in Jersey City, Hudson County, New Jersey, for approximately \$152,500.

On April 20, 2000, the Company sold Atrium at Coulter Ridge, located in Amarillo, Potter County, Texas, for approximately \$1,600.

1999 TRANSACTIONS

OPERATING PROPERTY ACQUISITIONS

The Company acquired the following operating properties during the year ended December 31, 1999:

<TABLE>

<CAPTION>

Acquisition Investment by Date	Property/Portfolio Name	Location	# of Bldgs.	Rentable Square Feet	

OFFICE					
<S>	<C>	<C>	<C>	<C>	<C>
3/05/99	Pacifica Portfolio - Phase III(b)	Colorado Springs, El Paso County, CO	2	94,737	
\$5,709					
7/21/99	1201 Connecticut Avenue, NW	Washington, D.C.	1	169,549	
32,799					

TOTAL OFFICE PROPERTY ACQUISITIONS:			3	264,286	
\$38,508					

OFFICE/FLEX					
12/21/99	McGarvey Portfolio - Phase III(c)	Moorestown, Burlington County, NJ	3	138,600	
\$8,012					

TOTAL OFFICE/FLEX PROPERTY ACQUISITION:			3	138,600	
\$8,012					

TOTAL OPERATING PROPERTY ACQUISITIONS:			6	402,886	
\$46,520					
=====					
</TABLE>					

SEE FOOTNOTES ON SUBSEQUENT PAGE.

PROPERTIES PLACED IN SERVICE
The Company placed in service the following properties through the completion of development or redevelopment during the year ended December 31, 1999:
<TABLE>
<CAPTION>

Date Placed Investment by in Service Company (a)	Property Name	Location	# of Bldgs.	Rentable Square Feet	

OFFICE					
<S>	<C>	<C>	<C>	<C>	<C>
8/09/99	2115 Linwood Avenue	Fort Lee, Bergen County, NJ	1	68,000	\$
8,147					
11/01/99	795 Folsom Street (d)	San Francisco, San Francisco County, CA	1	183,445	
37,337					

TOTAL OFFICE PROPERTIES PLACED IN SERVICE:			2	251,445	
\$45,484					

OFFICE/FLEX					
3/01/99	One Center Court	Totowa, Passaic County, NJ	1	38,961	\$
2,140					
9/17/99	12 Skyline Drive	Hawthorne, Westchester County, NY	1	46,850	
5,023					
12/10/99	600 West Avenue (e)	Stamford, Fairfield County, CT	1	66,000	
5,429					

TOTAL OFFICE/FLEX PROPERTIES PLACED IN SERVICE:			3	151,811	
\$12,592					

LAND LEASE					
2/01/99	Horizon Center Business Park(f)	Hamilton Township, Mercer County, NJ	N/A	27.7 acres	\$

1,007

TOTAL LAND LEASE TRANSACTIONS:

27.7 acres \$

1,007

TOTAL PROPERTIES PLACED IN SERVICE:

5

403,256

\$59,083

</TABLE>

- (a) Unless otherwise noted, transactions were funded by the Company with funds primarily made available through draws on the Company's credit facilities.
- (b) William L. Mack, a current member of the Board of Directors of the Company and an equity holder of the Operating Partnership, was an indirect owner of an interest in certain of the buildings contained in the Pacifica portfolio.
- (c) The properties were acquired through the exercise of a purchase option obtained in the initial acquisition of the McGarvey portfolio in January 1998.
- (d) On June 1, 1999, the building was acquired for redevelopment for approximately \$34,282.
- (e) On May 4, 1999, the Company acquired, from an entity whose principals include Timothy M. Jones, Martin S. Berger and Robert F. Weinberg, each of whom are affiliated with the Company as the President of the Company, a current member of the Board of Directors and a former member of the Board of Directors of the Company, respectively, approximately 2.5 acres of vacant land in the Stamford Executive Park, located in Stamford, Fairfield County, Connecticut. The Company acquired the land for approximately \$2,181.
- (f) On February 1, 1999, the Company entered into a ground lease agreement to lease 27.7 acres of developable land located at the Company's Horizon Center Business Park, located in Hamilton Township, Mercer County, New Jersey on which Home Depot constructed a 134,000 square-foot retail store.

LAND TRANSACTIONS

On February 26, 1999, the Company acquired approximately 2.3 acres of vacant land adjacent to one of the Company's operating properties located in San Antonio, Bexar County, Texas for approximately \$1,524, which was made available from the Company's cash reserves.

On March 2, 1999, the Company entered into a joint venture agreement with SJP Vaughn Drive, L.L.C. Under the agreement, the Company has agreed to contribute its vacant land at Three Vaughn Drive, Princeton, Mercer County, New Jersey, subject to satisfaction of certain conditions, for an equity interest in the venture.

On March 15, 1999, the Company entered into a joint venture with SJP 106 Allen Road to form MC-SJP Pinson Development, LLC, which acquired vacant land located in Bernards Township, Somerset County, New Jersey. The venture has commenced construction of a 130,000 square-foot office building on this site. The Company accounts for the joint venture on a consolidated basis.

On August 31, 1999, the Company acquired, from an entity whose principals include Brant Cali, Executive Vice President and Chief Operating Officer of the Company and a member of the Board of Directors of the Company, and certain immediate family members of John J. Cali, Chairman of the Board of Directors of the Company, approximately 28.1 acres of developable land adjacent to two of the Company's operating properties located in

Roseland, Essex County, New Jersey for approximately \$6,097. The acquisition was funded with cash and the issuance of 121,624 common units to the seller (see Note 11). The Company has commenced construction of a 220,000 square-foot office building on the acquired land.

In August 1999, the Company entered into an agreement with SJP Properties Company ("SJP Properties") which provides a cooperative effort in seeking approvals to develop up to approximately 1.8 million square feet of office development on certain vacant land owned or controlled, respectively, by the Company and SJP Properties, in Hanover and Parsippany, Morris County, New Jersey. The agreement provides that the parties shall share equally in the costs associated with seeking such requisite approvals. Subsequent to obtaining the requisite approvals, upon mutual consent, the Company and SJP Properties may enter into one or more joint ventures to construct on the vacant land, or seek to dispose of their respective vacant land parcels subject to the agreement.

DISPOSITIONS

On November 15, 1999, the Company sold its 70,550 square-foot office building located at 400 Alexander Road in Princeton, Mercer County, New Jersey for net

proceeds, after selling costs, of approximately \$8,628.

On December 15, 1999, the Company sold its 119,301 square-foot office building located at 20002 North 19th Avenue in Phoenix, Maricopa County, Arizona for net proceeds, after selling costs, of approximately \$8,772.

4. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES

PRU-BETA 3 (NINE CAMPUS DRIVE)

On March 27, 1998, the Company acquired a 50 percent interest in an existing joint venture with The Prudential Insurance Company of America ("Prudential"), known as Pru-Beta 3, which owns and operates Nine Campus Drive, a 156,495 square-foot office building, located in the Mack-Cali Business Campus (formerly Prudential Business Campus) office complex in Parsippany, Morris County, New Jersey. The Company performs management and leasing services for the property owned by the joint venture and recognized \$37 and \$38 in fees for such services in the three months ended March 31, 2000 and 1999, respectively.

HPMC

On April 23, 1998, the Company entered into a joint venture agreement with HCG Development, L.L.C. and Summit Partners I, L.L.C. to form HPMC Development Partners, L.P. and, on July 21, 1998, entered into a second joint venture, HPMC Development Partners II, L.P. (formerly known as HPMC Lava Ridge Partners, L.P.), with these same parties. HPMC Development Partners, L.P.'s efforts have focused on two development projects, commonly referred to as Continental Grand II and Summit Ridge. HPMC Development Partners II, L.P.'s efforts have focused on three development projects, commonly referred to as Lava Ridge, Peninsula Gateway and Stadium Gateway. Among other things, the partnership agreements provide for a preferred return on the Company's invested capital in each venture, in addition to 50 percent of such venture's profit above the preferred returns, as defined in each agreement.

CONTINENTAL GRAND II

Continental Grand II is a 4.2 acre site located in El Segundo, Los Angeles County, California, acquired by the venture upon which it has constructed and placed in service a 237,360 square-foot office property.

SUMMIT RIDGE

Summit Ridge is a 7.3 acre site located in San Diego, San Diego County, California, acquired by the venture upon which it has constructed and placed in service three one-story buildings aggregating 133,750 square feet of office/flex space.

LAVA RIDGE

Lava Ridge is a 12.1 acre site located in Roseville, Placer County, California, acquired by the venture upon which it has constructed and placed in service three two-story buildings aggregating 183,200 square feet of office space.

13

PENINSULA GATEWAY

Peninsula Gateway is a parcel of land purchased from the City of Daly City, California, for future development into office space, a hotel and other retail establishments.

STADIUM GATEWAY

Stadium Gateway is a 1.5 acre site located in Anaheim, Orange County, California, acquired by the venture to develop a six-story office building aggregating 261,554 square feet.

G&G MARTCO (CONVENTION PLAZA)

On April 30, 1998, the Company acquired a 49.9 percent interest in an existing joint venture, known as G&G Martco, which owns Convention Plaza, a 305,618 square-foot office building, located in San Francisco, San Francisco County, California. A portion of its initial investment was financed through the issuance of common units, as well as funds drawn from the Company's credit facilities. Subsequently, on June 4, 1999, the Company acquired an additional 0.1 percent interest in G&G Martco through the issuance of common units (see Note 11). The Company performs management and leasing services for the property owned by the joint venture and recognized \$52 and \$12 in fees for such services in the three months ended March 31, 2000 and 1999, respectively.

AMERICAN FINANCIAL EXCHANGE L.L.C.

On May 20, 1998, the Company entered into a joint venture agreement with Columbia Development Corp. to form American Financial Exchange L.L.C. The venture was initially formed to acquire land for future development, located on the Hudson River waterfront in Jersey City, Hudson County, New Jersey, adjacent to the Company's Harborside Financial Center office complex. The Company holds a 50 percent interest in the joint venture. Among other things, the partnership agreement provides for a preferred return on the Company's invested capital in the venture, in addition to the Company's proportionate share of the venture's profit, as defined in the agreement. The joint venture acquired land on which it

constructed a parking facility, which is currently leased to a parking operator under a 10-year agreement. Such parking facility serves a ferry service between the Company's Harborside property and Manhattan.

RAMLAND REALTY ASSOCIATES L.L.C. (ONE RAMLAND ROAD)

On August 20, 1998, the Company entered into a joint venture agreement with S.B. New York Realty Corp. to form Ramland Realty Associates L.L.C. The venture was formed to own, manage and operate One Ramland Road, a 232,000 square-foot office/flex building plus adjacent developable land, located in Orangeburg, Rockland County, New York. In August 1999, the joint venture completed redevelopment of the property and placed the office/flex building in service. The Company holds a 50 percent interest in the joint venture. The Company performs management, leasing and other services for the property owned by the joint venture and recognized \$123 and \$0 in fees for such services in the three months ended March 31, 2000 and 1999, respectively.

ASHFORD LOOP ASSOCIATES L.P. (1001 SOUTH DAIRY ASHFORD/2100 WEST LOOP SOUTH)

On September 18, 1998, the Company entered into a joint venture agreement with Prudential to form Ashford Loop Associates L.P. The venture was formed to own, manage and operate 1001 South Dairy Ashford, a 130,000 square-foot office building acquired on September 18, 1998 and 2100 West Loop South, a 168,000 square-foot office building acquired on November 25, 1998, both located in Houston, Harris County, Texas. The Company holds a 20 percent interest in the joint venture. The joint venture may be required to pay additional consideration due to earn-out provisions in the acquisition contracts. Subsequently, through March 31, 2000, the venture paid \$16,519 (\$3,304 representing the Company's share) in accordance with the earn-out provisions in the acquisition contracts. The Company performs management and leasing services for the properties owned by the joint venture and recognized \$30 and \$30 in fees for such services in the three months ended March 31, 2000 and 1999, respectively.

ARCAP INVESTORS, L.L.C.

On March 18, 1999, the Company invested in ARCap Investors, L.L.C., a joint venture with several participants, which was formed to invest in sub-investment grade tranches of commercial mortgage-backed securities ("CMBS"). The Company has invested \$20,000 in the venture. William L. Mack, a current member of the Board of Directors of the Company and an equity holder of the Operating Partnership, is a principal of the managing member of the venture. At March 31, 2000, the venture held approximately \$302,000 face value of CMBS bonds at an aggregate cost of \$133,000.

NORTH PIER AT HARBORSIDE RESIDENTIAL DEVELOPMENT

On August 5, 1999, the Company entered into an agreement which, upon satisfaction of certain conditions, provides for the contribution of its North Pier at Harborside Financial Center, Jersey City, Hudson County, New Jersey to a joint venture with Lincoln Property Company Southwest, Inc., in exchange for cash and an equity interest in the venture. The venture intends to develop residential housing on the property.

SOUTH PIER AT HARBORSIDE HOTEL DEVELOPMENT

On November 17, 1999, the Company entered into an agreement with Hyatt Corporation to develop a 350-room hotel on the Company's South Pier at Harborside Financial Center, Jersey City, Hudson County, New Jersey, subject to the satisfaction of certain conditions.

SUMMARIES OF UNCONSOLIDATED JOINT VENTURES

The following is a summary of the financial position of the unconsolidated joint ventures in which the Company had investment interests as of March 31, 2000 and December 31, 1999:

<TABLE>
<CAPTION>

	March 31, 2000						
Combined	Pru-Beta 3	HPMC	G&G Martco	American Financial Exchange	Ramland Realty	Ashford Loop	ARCap
Total							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS:							
Rental property, net	\$21,563	\$86,840	\$13,377	\$10,786	\$19,385	\$34,593	\$ --
Other assets	3,306	3,989	2,940	943	4,740	1,555	240,152
257,625							

Total assets	\$24,869	\$90,829	\$16,317	\$11,729	\$24,125	\$36,148	\$240,152
\$444,169							
=====							
LIABILITIES AND PARTNERS' / MEMBERS' CAPITAL:							
Mortgages and loans payable	\$ --	\$51,251	\$44,000	\$ --	\$17,185	\$ --	\$104,693
\$217,129							
Other liabilities	470	4,681	1,372	--	834	383	36,072
43,812							
Partners'/members' capital	24,399	34,897	(29,055)	11,729	6,106	35,765	99,387
183,228							

Total liabilities and partners'/members' capital	\$24,869	\$90,829	\$16,317	\$11,729	\$24,125	\$36,148	\$240,152
\$444,169							
=====							
Company's net investment in unconsolidated joint ventures	\$16,757	\$24,669	\$ 8,292	\$11,777	\$ 2,610	\$ 7,498	\$ 19,894
91,497							

December 31, 1999							

Combined			G&G	American Financial	Ramland	Ashford	
	Pru-Beta 3	HPMC	Martco	Exchange	Realty	Loop	ARCap
Total							

ASSETS:							
Rental property, net	\$21,817	\$70,823	\$13,672	\$10,752	\$19,549	\$28,755	\$ --
\$165,368							
Other assets	3,319	3,260	2,467	773	5,069	704	239,441
255,033							

Total assets	\$25,136	\$74,083	\$16,139	\$11,525	\$24,618	\$29,459	\$239,441
\$420,401							
=====							
LIABILITIES AND PARTNERS' / MEMBERS' CAPITAL:							
Mortgages and loans payable	\$ --	\$41,274	\$43,081	\$ --	\$17,300	\$ --	\$108,407
\$210,062							
Other liabilities	186	4,769	1,383	2	1,263	815	36,109
44,527							
partners'/members' capital	24,950	28,040	(28,325)	11,523	6,055	28,644	94,925
165,812							

Total liabilities and partners'/members' capital	\$25,136	\$74,083	\$16,139	\$11,525	\$24,618	\$29,459	\$239,441
\$420,401							
=====							
Company's net investment in unconsolidated joint ventures	\$17,072	\$23,337	\$ 8,352	\$11,571	\$ 2,697	\$ 6,073	\$ 20,032
89,134							

</TABLE>

The following is a summary of the results of operations of the unconsolidated joint ventures for the period in which the Company had investment interests during the three months ended March 31, 2000 and 1999:

<TABLE>
<CAPTION>

Combined			G&G	American Financial	Ramland	Ashford		
Total	Pru-Beta 3	HPMC	Martco	Exchange	Realty	Loop	ARCap	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Total revenues	\$1,234	\$1,056	\$2,712	\$250	\$978	\$1,363	\$6,544	
\$14,137								
Operating and other expenses	(418)	(174)	(760)	(31)	(317)	(630)	(571)	
(2,901)								
Depreciation and amortization	(306)	(341)	(426)	(13)	(241)	(193)	--	
(1,520)								
Interest expense	--	(327)	(875)	--	(369)	--	(769)	
(2,340)								
Net income (loss)	\$ 510	\$ 214	\$ 651	\$206	\$ 51	\$ 540	\$5,204	\$
7,376								
====								
Company's equity in earnings of unconsolidated joint ventures	\$ 216	--	\$ 169	\$206	\$ 25	\$ 121	\$ 400	\$
1,137								

Three Months Ended March 31, 1999

Combined			G&G	American Financial	Ramland	Ashford		
Total	Pru-Beta 3	HPMC	Martco	Exchange	Realty	Loop	ARCap	
Total revenues	\$1,231	--	\$1,990	\$188	--	\$917	\$ 247	
\$4,573								
Operating and other expenses	(374)	--	(691)	(69)	--	(473)	(390)	
(1,997)								
Depreciation and amortization	(318)	--	(233)	(23)	--	(108)	--	
(682)								
Interest expense	--	--	(710)	--	--	--	(25)	
(735)								
Net income (loss)	\$ 539	--	\$ 356	\$ 96	--	\$336	\$(168)	
\$1,159								
====								
Company's equity in earnings (loss) of unconsolidated joint ventures	\$ 114	--	\$(366)	\$ 46	--	\$ 56	\$(56)	\$
(206)								

</TABLE>

5. DEFERRED CHARGES AND OTHER ASSETS

<TABLE>
<CAPTION>

December 31, 1999	March 31, 2000
<S>	<C>
Deferred leasing costs	\$ 67,848
61,623	
Deferred financing costs	17,174
17,143	
78,766	85,022
Accumulated amortization	(22,610)
(20,197)	

Deferred charges, net		62,412
58,569		
Prepaid expenses and other assets		4,393
7,867		

Total deferred charges and other assets, net		\$ 66,805
66,436		\$
=====		
=====		

</TABLE>

6. RESTRICTED CASH

Restricted cash includes security deposits for the Company's residential properties and certain commercial properties, and escrow and reserve funds for debt service, real estate taxes, property insurance, capital improvements, tenant improvements, and leasing costs established pursuant to certain mortgage financing arrangements, and is comprised of the following:

	March 31, 2000	December 31, 1999

Security deposits	\$6,255	\$6,021
Escrow and other reserve funds	135	1,060

Total restricted cash	\$6,390	\$7,081
=====		

7. RENTAL PROPERTY HELD FOR SALE

As of March 31, 2000 and December 31, 1999, included in total rental property are three office properties that the Company had identified as held for sale. The three office properties have an aggregate carrying value of \$77,829 and \$77,783 as of March 31, 2000 and December 31, 1999, respectively, and are located in Omaha, Douglas County, Nebraska; Amarillo, Potter County, Texas; and Jersey City, Hudson County, New Jersey.

The following is a summary of the condensed results of operations of the rental properties held for sale at March 31, 2000 for the three months ended March 31, 2000 and 1999:

	Three Months Ended March 31, 2000	1999

Total revenues	\$6,110	\$5,955
Operating and other expenses	(2,105)	(2,127)
Depreciation and amortization	(5)	(854)

Net income	\$4,000	\$2,974
=====		

The Hudson County, New Jersey and Potter County, Texas properties were sold in April 2000 (see Note 3). There can be no assurance if and when the Douglas County, Nebraska rental property sale will occur.

8. SENIOR UNSECURED NOTES

On March 16, 1999, the Operating Partnership issued \$600,000 face amount, of senior unsecured notes with interest payable semi-annually in arrears. The total proceeds from the issuance (net of selling commissions and discount) of approximately \$593,500 were used to pay down outstanding borrowings under the Unsecured Facility, as defined in Note 9, and to pay off certain mortgage loans. The senior unsecured notes were issued at a discount of approximately \$2,748, which is being amortized over the terms of the respective tranches as an adjustment to interest expense.

On August 2, 1999, the Operating Partnership issued an additional \$185,283 of senior unsecured notes with interest payable monthly. The Company used the proceeds to retire the TIAA Mortgage, as defined in Note 10.

The Operating Partnership's total senior unsecured notes (collectively, "Senior Unsecured Notes") are redeemable at any time at the option of the Company, subject to certain conditions including yield maintenance.

A summary of the terms of the Senior Unsecured Notes outstanding as of March 31, 2000 and December 31, 1999 is as follows:

<TABLE>

<CAPTION>

	March 31, 2000	December 31, 1999	Effective Rate (1)
<S>	<C>	<C>	<C>
7.18% Senior Unsecured Notes, due December 31, 2003	\$185,283	\$185,283	7.23%
7.00% Senior Unsecured Notes, due March 15, 2004	299,684	299,665	7.27%
7.25% Senior Unsecured Notes, due March 15, 2009	297,896	297,837	7.49%
Total Senior Unsecured Notes	\$782,863	\$782,785	7.34%

</TABLE>

(1) Includes the cost of terminated treasury lock agreements (if any), offering and other transaction costs and the discount on the notes, as applicable.

The terms of the Senior Unsecured Notes include certain restrictions and covenants which require compliance with financial ratios relating to the maximum amount of debt leverage, the maximum amount of secured indebtedness, the minimum amount of debt service coverage and the maximum amount of unsecured debt as a percent of unsecured assets.

9. REVOLVING CREDIT FACILITIES

UNSECURED FACILITY

The Company has an unsecured revolving credit facility ("Unsecured Facility") with a current borrowing capacity of \$1,000,000 from a group of 28 lenders. The interest rate is based on the Company's achievement of investment grade unsecured debt ratings and at the Company's election, bears interest at either 90 basis points over London Inter-Bank Offered Rate ("LIBOR") or the higher of the lender's prime rate or the Federal Funds rate plus 50 basis points. The interest rate is currently LIBOR (6.13 percent at March 31, 2000) plus 90 basis points. The Unsecured Facility matures in April 2001.

The terms of the Unsecured Facility include certain restrictions and covenants which limit, among other things, the payment of dividends (as discussed below), the incurrence of additional indebtedness, the incurrence of liens and the disposition of assets, and which require compliance with financial ratios relating to the maximum leverage ratio, the maximum amount of secured indebtedness, the minimum amount of tangible net worth, the minimum amount of debt service coverage, the minimum amount of fixed charge coverage, the maximum amount of unsecured indebtedness, the minimum amount of unencumbered property debt service coverage and certain investment limitations. The dividend restriction referred to above provides that, except to enable the Company to continue to qualify as a REIT under the Code, the Company will not during any four consecutive fiscal quarters make distributions with respect to common stock or other equity interests in an aggregate amount in excess of 90 percent of funds from operations for such period, subject to certain other adjustments. The Unsecured Facility also requires a 17.5 basis point fee on the unused balance payable quarterly in arrears.

PRUDENTIAL FACILITY

The Company has a revolving credit facility ("Prudential Facility") from Prudential Securities Corp. ("PSC") in the amount of \$100,000, which currently bears interest at 110 basis points over one-month LIBOR, with a maturity date of March 30, 2001. The Prudential Facility is a recourse liability of the Operating Partnership and is secured by the Company's equity interest in Harborside. The Prudential Facility limits the ability of the Operating Partnership to make any distributions during any fiscal quarter in an amount in excess of 100 percent of the Operating Partnership's available funds from operations for the immediately preceding fiscal quarter (except to the extent such excess distributions or dividends are attributable to gains from the sale of the Operating Partnership's assets or are required for the Company to maintain its status as a REIT under the Code); provided, however, that the Operating Partnership may make distributions and pay dividends in excess of 100 percent of available funds from operations for the preceding fiscal quarter for not more than three consecutive quarters. In addition to the foregoing, the Prudential Facility limits the liens placed upon the subject property and certain collateral, the use of proceeds from the Prudential Facility, and the maintenance of ownership of the subject property and assets derived from said ownership.

SUMMARY

As of March 31, 2000 and December 31, 1999, the Company had outstanding borrowings of \$216,208 and \$177,000, respectively, under its revolving credit facilities (with aggregate borrowing capacity of \$1,100,000). The total outstanding borrowings were from the Unsecured Facility, with no outstanding borrowings under the Prudential Facility.

10. MORTGAGES AND LOANS PAYABLE

<TABLE>

<CAPTION>

	March 31, 2000	December 31, 1999
<S>	<C>	<C>
Portfolio Mortgages	\$150,000	\$150,000
Property Mortgages	379,432	380,390

Total mortgages and loans payable	\$529,432	\$530,390

</TABLE>

PORTFOLIO MORTGAGES

TIAA MORTGAGE

The Company had a \$185,283 non-recourse mortgage loan with Teachers Insurance and Annuity Association of America, with interest only payable monthly at a fixed annual rate of 7.18 percent ("TIAA Mortgage"). The TIAA Mortgage was secured and cross collateralized by 43 properties. The TIAA Mortgage was prepayable in whole or in part subject to certain provisions, including yield maintenance.

Using the proceeds from the issuance of \$185,283 of senior unsecured notes on August 2, 1999 (see Note 8), the Company repaid in full and retired the TIAA Mortgage.

\$150,000 PRUDENTIAL MORTGAGE LOAN

The Company has a \$150,000, interest-only, non-recourse mortgage loan from Prudential (" \$150,000 Prudential Mortgage Loan"). The loan, which is secured by 11 properties, has an effective annual interest rate of 7.10 percent and a seven-year term. The Company has the option to convert the mortgage loan to unsecured debt as a result of the achievement of an investment grade credit rating. The mortgage loan is prepayable in whole or in part subject to certain provisions, including yield maintenance.

PROPERTY MORTGAGES

Property mortgages are comprised of various non-recourse loans which are collateralized by certain of the Company's rental properties. Payments on property mortgages are generally due in monthly installments of principal and interest, or interest only.

A summary of the Company's property mortgages as of March 31, 2000 and 1999 follows:

<TABLE>

<CAPTION>

PROPERTY NAME	LENDER	INTEREST RATE	PRINCIPAL BALANCE AT		MATURITY
			MARCH 2000	DECEMBER 1999	
<S>	<C>	<C>	<C>	<C>	<C>
201 Commerce Drive	Sun Life Assurance Co.	6.240%	\$ 1,043	\$ 1,059	09/01/00
3 & 5 Terri Lane	First Union National Bank	6.220%	4,424	4,434	10/31/00
101 & 225 Executive Drive	Sun Life Assurance Co.	6.270%	2,328	2,375	06/01/01
Mack-Cali Morris Plains	Corestates Bank	7.510%	2,213	2,235	12/31/01
Mack-Cali Willowbrook	CIGNA	8.670%	9,994	10,250	10/01/03
400 Chestnut Ridge	Prudential Insurance Co.	9.440%	14,239	14,446	07/01/04
Mack-Cali Centre VI	Principal Life Insurance Co.	6.865%	35,000	35,000	04/01/05
Mack-Cali Bridgewater I	New York Life Ins. Co.	7.000%	23,000	23,000	09/10/05
Mack-Cali Woodbridge II	New York Life Ins. Co.	7.500%	17,500	17,500	09/10/05
Mack-Cali Short Hills	Prudential Insurance Co.	7.740%	26,397	26,604	10/01/05
500 West Putnam Avenue	New York Life Ins. Co.	6.520%	10,591	10,784	10/10/05
Harborside - Plaza I	U.S. West Pension Trust	5.610%	51,831	51,015	01/01/06
Harborside - Plaza II and III	Northwestern Mutual Life Ins.	7.320%	98,169	98,985	01/01/06
Mack-Cali Airport	Allstate Life Insurance Co.	7.050%	10,500	10,500	04/01/07
Kemble Plaza II	Mitsubishi Tr & Bk Co.	LIBOR+0.65%	40,025	40,025	01/31/08
Kemble Plaza I	Mitsubishi Tr & Bk Co.	LIBOR+0.65%	32,178	32,178	01/31/09

Total Property Mortgages \$379,432 \$380,390

</TABLE>

INTEREST RATE CONTRACTS

On May 24, 1995, the Company entered into an interest rate swap agreement with a commercial bank. The swap agreement fixes the Company's one-month LIBOR base to 6.285 percent per annum on a notional amount of \$24,000. The swap agreement expired in August 1999.

On January 23, 1996, the Company entered into an interest rate swap agreement with a commercial bank. The swap agreement fixed the Company's one-month LIBOR base to 5.265 percent per annum on a notional amount of \$26,000. The swap agreement expired in January 1999.

On November 20, 1997, the Company entered into a forward treasury rate lock agreement with a commercial bank. The agreement locked an interest rate of 5.88 percent per annum for the interpolated seven-year U.S. Treasury Note effective March 1, 1998, on a notional amount of \$150,000. The agreement was used to fix the interest rate on the \$150,000 Prudential Mortgage Loan. On March 2, 1998, the Company paid \$2,035 in settlement of the agreement, which is being amortized to interest expense over the term of the \$150,000 Prudential Mortgage Loan.

On October 1, 1998, the Company entered into a forward treasury rate lock agreement with a commercial bank. The agreement locked an interest rate of 4.089 percent per annum for the three-year U.S. Treasury Note effective November 4, 1999, on a notional amount of \$50,000. The agreement was used to fix the Index Rate on \$50,000 of the Harborside-Plaza I mortgage, for which the interest rate re-sets for three years beginning November 4, 1999 to the three-year U.S. Treasury Note plus 110 basis points (see "Property Mortgages: Harborside-Plaza I"). The Company received \$2,208 in settlement of the agreement, which is being amortized to interest expense over the three year-period.

In connection with the issuance of the Senior Unsecured Notes in March 1999, the Company entered into and settled forward treasury rate lock agreements. These agreements were settled at a cost of approximately \$517, which is being amortized to interest expense over the terms of the respective tranches.

20

SCHEDULED PRINCIPAL PAYMENTS

Scheduled principal payments and related weighted average annual interest rates for the Company's Senior Unsecured Notes (Note 8), revolving credit facilities (Note 9) and mortgages and loans payable as of March 31, 2000 are as follows:

<TABLE>
<CAPTION>

YEAR	SCHEDULED AMORTIZATION	PRINCIPAL MATURITIES	TOTAL	WEIGHTED AVG. INTEREST RATE OF FUTURE REPAYMENTS (a)
<S>	<C>	<C>	<C>	<C>
April through December 2000	\$ 2,428	\$ 5,419	\$ 7,847	6.93%
2001	3,257	220,419	223,676	7.06%
2002	3,458	--	3,458	8.20%
2003	3,518	192,093	195,611	7.30%
2004	2,332	309,863	312,195	7.34%
Thereafter	970	784,746	785,716	7.13%
Totals/Weighted Average	\$15,963	\$1,512,540	\$1,528,503	7.19%

</TABLE>

(a) Assumes a weighted average LIBOR rate at March 31, 2000 of 6.15 percent in calculating revolving credit facility and other variable rate debt interest rates.

Scheduled principal payments during the three months ended March 31, 2000 and 1999 amounted to \$880 and \$1,022, respectively.

CASH PAID FOR INTEREST & INTEREST CAPITALIZED

Cash paid for interest for the three months ended March 31, 2000 and 1999 was \$38,387 and \$22,646, respectively. Interest capitalized by the Company for the three months ended March 31, 2000 and 1999 was \$1,854 and \$1,245, respectively.

SUMMARY OF INDEBTEDNESS

As of March 31, 2000, the Company's total indebtedness of \$1,528,503 (weighted average interest rate of 7.19 percent) was comprised of \$288,412 of revolving credit facility borrowings and other variable rate mortgage debt (weighted average rate of 6.93 percent) and fixed rate debt of \$1,240,091 (weighted average rate of 7.24 percent).

As of December 31, 1999, the Company's total indebtedness of \$1,490,175 (weighted average interest rate of 7.27 percent) was comprised of \$249,204 of revolving credit facility borrowings and other variable rate mortgage debt (weighted average rate of 7.42 percent) and fixed rate debt of \$1,240,971 (weighted average rate of 7.24 percent).

11. MINORITY INTEREST

Minority interest in the accompanying consolidated financial statements relates to (i) common units in the Operating Partnership, in addition to preferred units ("Preferred Units") and warrants to purchase common units ("Unit Warrants") issued in connection with the Company's December 1997 acquisition of 54 office properties ("Mack Properties") from the Mack Company and Patriot American Office Group ("Mack Transaction"), held by parties other than the Company and (ii) interests in consolidated partially-owned properties for the portion of such properties not owned by the Company.

OPERATING PARTNERSHIP PREFERRED UNITS

In connection with the Mack Transaction in December 1997, the Company issued 15,237 Series A Preferred Units and 215,325 Series B Preferred Units, with an aggregate value of \$236,491. The Preferred Units have a stated value of \$1,000 per unit and are preferred as to assets over any class of common units or other class of preferred units of the Company, based on circumstances per the applicable unit certificates.

21

The quarterly distribution on each Preferred Unit (representing 6.75 percent of the Preferred Unit stated value of \$1,000 on an annualized basis) is an amount equal to the greater of (i) \$16.875 or (ii) the quarterly distribution attributable to a Preferred Unit determined as if such unit had been converted into common units, subject to adjustment for customary anti-dilution rights. Each of the Series A Preferred Units may be converted at any time into common units at a conversion price of \$34.65 per unit, and, after the one year anniversary of the date of the Series A Preferred Units' initial issuance, common units received pursuant to such conversion may be redeemed into common stock. Each of the Series B Preferred Units may be converted at any time into common units at a conversion price of \$34.65 per unit, and, after the three year anniversary of the date of the Series B Preferred Units' initial issuance, common units received pursuant to such conversion may be redeemed into common stock. Each of the common units are redeemable for an equal number of shares of common stock.

During the year ended December 31, 1999, 20,952 Series A Preferred Units were converted into 604,675 common units.

As of March 31, 2000, there were 229,304 Preferred Units outstanding (convertible into 6,617,721 common units).

COMMON UNITS

Certain individuals and entities own common units in the Operating Partnership. A common unit and a share of common stock of the Company have substantially the same economic characteristics in as much as they effectively share equally in the net income or loss of the Operating Partnership.

Common units are redeemable by the common unitholders at their option, subject to certain restrictions, on the basis of one common unit for either one share of common stock or cash equal to the fair market value of a share at the time of the redemption. The Company has the option to deliver shares of common stock in exchange for all or any portion of the cash requested. When a unitholder redeems a common unit, minority interest is reduced and the Company's investment in the Operating Partnership is increased.

On June 4, 1999, in connection with the acquisition of a 0.1 percent interest in the G&G Martco joint venture (see Note 4), the Company issued 437 common units, valued at approximately \$17.

On August 31, 1999, in connection with the acquisition of 28.1 acres of developable land located in Roseland, New Jersey, the Company issued 121,624 common units, valued at approximately \$3,345 (see Note 3).

During 1999, the Operating Partnership redeemed an aggregate of 1,934,657 common units for an equivalent number of shares of common stock in the Company.

During 1999, the Company also issued 275,046 common units, valued at approximately \$8,141, in connection with the achievement of certain performance goals at the Mack Properties in redemption of an equivalent number of contingent common units.

During the three months ended March 31, 2000, an aggregate of 36,883 common units were redeemed for an equivalent number of shares of common stock in the Company.

As of March 31, 2000, there were 8,116,827 common units outstanding.

CONTINGENT COMMON & PREFERRED UNITS

In connection with the Mack Transaction in December 1997, 2,006,432 contingent common units, 11,895 Series A contingent Preferred Units and 7,799 Series B contingent Preferred Units were issued as contingent non-participating units ("Contingent Units"). Redemption of such Contingent Units occurred upon the achievement of certain performance goals relating to certain of the Mack Properties, specifically the achievement of certain leasing activity. When Contingent Units are redeemed for common and Preferred Units, an adjustment to the purchase price of certain of the Mack Properties is recorded, based on the value of the units issued.

On account of certain of the performance goals at the Mack Properties having been achieved during 1999, the Company redeemed 275,046 contingent common units and issued an equivalent number of common units, as indicated above. There were no Contingent Units outstanding as of December 31, 1999.

22

UNIT WARRANTS

The Company has 2,000,000 Unit Warrants outstanding. The Unit Warrants are exercisable at \$37.80 per common unit and expire on December 11, 2002.

MINORITY INTEREST OWNERSHIP

As of March 31, 2000 and December 31, 1999, the minority interest common unitholders owned 12.2 percent (20.1 percent, including the effect of the conversion of Preferred Units into common units) and 12.2 percent (20.2 percent including the effect of the conversion of Preferred Units into common units) of the Operating Partnership, respectively (excluding any effect for the exercise of Unit Warrants).

PARTIALLY-OWNED PROPERTIES

On December 28, 1999, the Company sold an interest in six office properties located in Parsippany, Morris County, New Jersey for \$83,600. Among other things, the operating agreements provide for a preferred return to the minority interest members.

The Company controls these operations and has consolidated the financial position and results of operations of the partially-owned properties in the financial statements of the Company. The equity interests of the other members are reflected as minority interests: partially-owned properties in the consolidated financial statements of the Company.

12. EMPLOYEE BENEFIT PLAN

All employees of the Company who meet certain minimum age and period of service requirements are eligible to participate in a 401(k) defined contribution plan (the "401(k) Plan"). The 401(k) Plan allows eligible employees to defer up to 15 percent of their annual compensation, subject to certain limitations imposed by federal law. The amounts contributed by employees are immediately vested and non-forfeitable. The Company, at management's discretion, may match employee contributions and/or make discretionary contributions. Total expense recognized by the Company for the three months ended March 31, 2000 and 1999 was \$100 and \$0, respectively.

13. COMMITMENTS AND CONTINGENCIES

TAX ABATEMENT AGREEMENTS

GROVE STREET PROPERTY

Pursuant to an agreement with the City of Jersey City, New Jersey, as amended, expiring in 2004, the Company is required to make payments in lieu of property taxes ("PILOT") on its property at 95 Christopher Columbus Drive, Jersey City, Hudson County, New Jersey. Such PILOT, as defined, was \$1,267 per annum through May 31, 1999 and is \$1,584 per annum through May 31, 2004. The PILOT totaled \$396 and \$317 for the three months ended March 31, 2000 and 1999, respectively. In April 2000, the Company sold its property at 95 Christopher Columbus Drive (see Note 3).

HARBORSIDE FINANCIAL CENTER PROPERTY

Pursuant to an agreement with the City of Jersey City, New Jersey obtained by the former owner of the Harborside property in 1988 and assumed by the Company as part of the acquisition of the property in November 1996, the Company is required to make PILOT payments on its Harborside property. The agreement, which commenced in 1990, is for a term of 15 years. Such PILOT is equal to two percent of Total Project Costs, as defined, in year one and increases by \$75 per annum through year fifteen. Total Project Costs, as defined, are \$145,644. The PILOT totaled \$668 and \$651 for the three months ended March 31, 2000 and 1999, respectively.

GROUND LEASE AGREEMENTS

Future minimum rental payments under the terms of all non-cancelable ground leases, under which the Company is the lessee as of March 31, 2000, are as follows:

YEAR	AMOUNT
-----	-----
April 1 to December 31, 2000	\$ 398
2001	531
2002	531
2003	531
2004	534
Thereafter	22,532
-----	-----
Total	\$25,057
=====	=====

Ground lease expense incurred during the three months ended March 31, 2000 and 1999 amounted to \$142 and \$132, respectively.

OTHER

On April 19, 1999, the Company announced the following changes in the membership of its Board of Directors and the identities, titles and responsibilities of its executive officers: (i) Thomas A. Rizk resigned from the Board of Directors, the Executive Committee of the Board of Directors, his position as Chief Executive Officer and as an employee of the Company; (ii) Mitchell E. Hersh was appointed Chief Executive Officer of the Company simultaneous with his resignation from his positions as President and Chief Operating Officer of the Company; (iii) Timothy M. Jones was appointed President of the Company simultaneous with his resignation from his positions as Executive Vice President and Chief Investment Officer of the Company; and (iv) Brant Cali was appointed to the Board of Directors of the Company to fill the remainder of Thomas A. Rizk's term as a Class III Director and was appointed Chief Operating Officer of the Company, also remaining as an Executive Vice President and Assistant Secretary of the Company.

Pursuant to the terms of Mr. Rizk's employment agreement entered into with the Company in December 1997 and an agreement entered into simultaneous with his resigning from the Company, Mr. Rizk received a payment of approximately \$14,490 in April 1999, \$500 in April 2000 and \$500 annually over the next two years. All costs associated with Mr. Rizk's resignation are included in non-recurring charges in the second quarter 1999.

The Company is a defendant in certain litigation arising in the normal course of business activities. Management does not believe that the resolution of these matters will have a materially adverse effect upon the Company.

14. TENANT LEASES

The Properties are leased to tenants under operating leases with various expiration dates through 2016. Substantially all of the leases provide for annual base rents plus recoveries and escalation charges based upon the tenant's proportionate share of and/or increases in real estate taxes and certain operating costs, as defined, and the pass through of charges for electrical usage.

15. STOCKHOLDERS' EQUITY

To maintain its qualification as a REIT, not more than 50 percent in value of the outstanding shares of the Company may be owned, directly or indirectly, by five or fewer individuals at any time during the last half of any taxable year of the Company, other than its initial taxable year (defined to include certain entities), applying certain constructive ownership rules. To help ensure that the Company will not fail this test, the Company's Articles of Incorporation provide for, among other things, certain restrictions on the transfer of the common stock to prevent further concentration of stock ownership. Moreover, to evidence compliance with these requirements, the Company must maintain records that disclose the actual ownership of its outstanding common stock and will demand written statements each year from the holders of record of designated percentages of its common stock requesting the disclosure of the beneficial owners of such common stock.

COMMON STOCK

On August 6, 1998, the Board of Directors of the Company authorized a share repurchase program ("Repurchase Program") under which the Company is permitted to purchase up to \$100,000 of the Company's outstanding common stock. Purchases can be made from time to time in open market transactions at prevailing prices

or through privately negotiated transactions.

Through March 31, 2000, the Company, under the Repurchase Program, purchased for constructive retirement, 1,869,200 shares of its outstanding common stock for an aggregate cost of approximately \$52,558. Concurrent with these purchases, the Company sold to the Operating Partnership 1,869,200 common units for approximately \$52,558.

DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

The Company filed a registration statement with the SEC for the Company's dividend reinvestment and stock purchase plan ("Plan") which was declared effective in February 1999. The Plan commenced on March 1, 1999.

During the year ended December 31, 1999, 1,082 shares were issued and proceeds of approximately \$32 were received from stock purchases and/or dividend reinvestments under the Plan.

SHAREHOLDER RIGHTS PLAN

On June 10, 1999, the Board of Directors of the Company authorized a dividend distribution of one preferred share purchase right ("Right") for each outstanding share of common stock which were distributed to all holders of record of the common stock on July 6, 1999. Each Right entitles the registered holder to purchase from the Company one one-thousandth of a share of Series A junior participating preferred stock, par value \$0.01 per share ("Preferred Shares"), at a price of \$100.00 per one one-thousandth of a Preferred Share ("Purchase Price"), subject to adjustment as provided in the rights agreement. The Rights expire on July 6, 2009, unless the expiration date is extended or the Right is redeemed or exchanged earlier by the Company.

The Rights are attached to each share of common stock. The Rights are generally exercisable only if a person or group becomes the beneficial owner of 15 percent or more of the outstanding common stock or announces a tender offer for 15 percent or more of the outstanding common stock ("Acquiring Person"). In the event that a person or group becomes an Acquiring Person, each holder of a Right will have the right to receive, upon exercise, common stock having a market value equal to two times the Purchase Price of the Right.

STOCK OPTION PLANS

In 1994, and as subsequently amended, the Company established the Mack-Cali Employee Stock Option Plan ("Employee Plan") and the Mack-Cali Director Stock Option Plan ("Director Plan") under which a total of 5,380,188 shares (subject to adjustment) of the Company's common stock have been reserved for issuance (4,980,188 shares under the Employee Plan and 400,000 shares under the Director Plan). Stock options granted under the Employee Plan in 1994 and 1995 have become exercisable over a three-year period and those options granted under the Employee Plan in 1996, 1997, 1998 and 1999 become exercisable over a five-year period. All stock options granted under the Director Plan become exercisable in one year. All options were granted at the fair market value at the dates of grant and have terms of ten years. As of March 31, 2000 and December 31, 1999, the stock options outstanding had a weighted average remaining contractual life of approximately 7.3 and 7.4 years, respectively.

25

Information regarding the Company's stock option plans is summarized below:

<TABLE>
<CAPTION>

	Shares Under Options	Weighted Average Exercise Price

<S>	<C>	<C>
Outstanding at January 1, 1999	3,939,982	\$33.22
Granted	426,400	\$25.23
Exercised	(47,583)	\$22.31
Lapsed or canceled	(591,648)	\$36.92

Outstanding at December 31, 1999	3,727,151	\$31.86
Granted	--	--
Exercised	(5,700)	\$21.50
Lapsed or canceled	(97,214)	\$35.66

Outstanding at March 31, 2000	3,624,237	\$31.78
=====		
Options exercisable at December 31, 1999	1,724,920	\$29.78
Options exercisable at March 31, 2000	2,243,980	\$30.76

Available for grant at December 31, 1999	662,878	
Available for grant at March 31, 2000	760,092	

</TABLE>

STOCK WARRANTS

The Company has outstanding 393,333 warrants to purchase an equal number of shares of common stock ("Stock Warrants") at \$33 per share (the market price at date of grant). Such warrants generally vest equally over a three-year period through January 31, 2000 and expire on January 31, 2007.

The Company also has outstanding 514,976 Stock Warrants to purchase an equal number of shares of common stock at \$38.75 per share (the market price at date of grant). Such warrants vest equally over a five-year period through December 31, 2001 and expire on December 12, 2007.

As of March 31, 2000 and December 31, 1999, there were a total of 908,309 and 914,976 Stock Warrants outstanding, respectively. As of March 31, 2000 and December 31, 1999 there were 702,318 and 585,989 Stock Warrants exercisable, respectively. During the three months ended March 31, 2000 and 1999, 6,667 and no Stock Warrants were canceled, respectively. No Stock Warrants have been exercised.

STOCK COMPENSATION

In July 1999, the Company entered into amended and restated employment contracts with six of its key executive officers which provided for, among other things, compensation in the form of stock awards and associated tax obligation payments. In addition, in December 1999, the Company granted stock awards to certain other officers of the Company. In connection with the stock awards (collectively, "Restricted Stock Awards"), the executive officers and certain other officers are to receive up to a total of 211,593 shares of the Company's common stock vesting over a five-year period contingent upon the Company meeting certain performance and/or stock price appreciation objectives. The Restricted Stock Awards provided to the executive officers and certain other officers were granted under the Employee Plan. Effective January 1, 2000, 31,740 shares of the Company's common stock were issued to the executive officers and certain other officers upon meeting the required objectives.

DEFERRED STOCK COMPENSATION PLAN FOR DIRECTORS

The Deferred Compensation Plan for Directors ("Deferred Compensation Plan"), which commenced January 1, 1999, is a plan which allows non-employee directors of the Company to elect to defer up to 100 percent of their annual retainer fee into deferred stock units. The deferred stock units are convertible into an equal number of shares of common stock upon the directors' termination of service from the Board of Directors or a change in control of the Company, as defined in the plan. Deferred stock units are credited to each director quarterly using the closing price of the Company's common stock on the applicable dividend record date for the respective quarter. Each participating director's account is also credited for an equivalent amount of deferred stock units based on the dividend rate for each quarter.

26

During 1999, 3,319 deferred stock units were earned.

During the three months ended March 31, 2000, 1,083 deferred stock units were earned.

EARNINGS PER SHARE

FASB No. 128 requires a dual presentation of basic and diluted EPS on the face of the income statement for all companies with complex capital structures even where the effect of such dilution is not material. Basic EPS excludes dilution and is computed by dividing net income available to common stockholders by the weighted average number of shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock.

The following information presents the Company's results for the three months ended March 31, 2000 and 1999 in accordance with FASB No. 128:

<TABLE>

<CAPTION>

	Three Months Ended March 31,			
	2000		1999	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
<S>	<C>	<C>	<C>	<C>
Net income	\$36,615	\$36,615	\$32,064	\$32,064
Add: Net income attributable to				
Operating Partnership - common units	--	5,107	--	4,880
Net income attributable to				
Operating Partnership - preferred units	--	3,869	--	--
Adjusted net income	\$36,615	\$45,591	\$32,064	\$36,944
Weighted average shares	58,295	73,191	58,162	67,283

Per Share \$ 0.63 \$ 0.62 \$ 0.55 \$ 0.55

</TABLE>

The following schedule reconciles the shares used in the basic EPS calculation to the shares used in the diluted EPS calculation:

<TABLE>

<CAPTION>

	Three Months Ended March 31,	
	2000	1999
<S>	<C>	<C>
Basic EPS Shares:	58,295	58,162
Add: Operating Partnership - common units	8,133	8,849
Operating Partnership - preferred units	6,618	--
Stock options	145	272
Diluted EPS Shares:	73,191	67,283

</TABLE>

Contingent Units and Restricted Stock Awards outstanding in 2000 and 1999, if any, were not included in the computation of diluted EPS as such units were anti-dilutive during the period. Preferred Units outstanding in 1999 were not included in the 1999 computation of diluted EPS as such units were anti-dilutive during the period.

Pursuant to the Repurchase Program, during 1999, the Company purchased for constructive retirement 1,014,500 shares of its outstanding common stock for approximately \$27,500.

27

16. SEGMENT REPORTING

The Company operates in one business segment - real estate. The Company provides leasing, management, acquisition, development, construction and tenant-related services for its portfolio. The Company does not have any foreign operations. The accounting policies of the segments are the same as those described in Note 2, excluding straight-line rent adjustments and depreciation and amortization.

The Company evaluates performance based upon net operating income from the combined properties in the segment.

Selected results of operations for the three months ended March 31, 2000 and 1999 and selected asset information as of March 31, 2000 and December 31, 1999 regarding the Company's operating segment are as follows:

<TABLE>

<CAPTION>

	Total Segment	Corporate & Other (e)	Total Company	
<S>	<C>	<C>	<C>	<C>
TOTAL CONTRACT REVENUES (a):				
Three months ended:				
March 31, 2000	\$ 140,141	\$ 648	\$ 140,789	(f)
March 31, 1999	131,769	(425)	131,344	(g)
TOTAL OPERATING AND INTEREST EXPENSES (b):				
Three months ended:				
March 31, 2000	\$ 46,730	\$ 28,634	\$ 75,364	
March 31, 1999	43,155	28,952	72,107	
NET OPERATING INCOME (c):				
Three months ended:				
March 31, 2000	\$ 93,411	\$ (27,986)	\$ 65,425	(f)
March 31, 1999	88,614	(29,377)	59,237	(g)
TOTAL ASSETS:				
March 31, 2000	\$3,609,643	\$ 41,113	\$3,650,756	
December 31, 1999	3,576,806	52,795	3,629,601	
TOTAL LONG-LIVED ASSETS (d):				
March 31, 2000	\$3,529,008	\$ 33,524	\$3,562,532	
December 31, 1999	3,510,285	30,318	3,540,603	

</TABLE>

(a) Total contract revenues represent all revenues during the period (including the Company's share of net income from unconsolidated joint ventures), excluding adjustments for straight-lining of rents and the Company's share

of straight-line rent adjustments from unconsolidated joint ventures. All interest income is excluded from segment amounts and is classified in Corporate and Other for all periods.

- (b) Total operating and interest expenses represent the sum of real estate taxes, utilities, operating services, general and administrative and interest expense. All interest expense (including for property-level mortgages) is excluded from segment amounts and is classified in Corporate and Other for all periods. Amounts presented exclude depreciation and amortization of \$22,182 and \$21,969 in 2000 and 1999, respectively.
- (c) Net operating income represents total contract revenues [as defined in Note (a)] less total operating and interest expenses [as defined in Note (b)] for the period.
- (d) Long-lived assets are comprised of total rental property, unbilled rents receivable and investments in unconsolidated joint ventures.
- (e) Corporate & Other represents all corporate-level items (including interest and other investment income, interest expense and non-property general and administrative expense) as well as intercompany eliminations necessary to reconcile to consolidated Company totals.
- (f) Excludes \$2,133 of adjustments for straight-lining of rents and \$57 for the Company's share of straight-line rent adjustments from unconsolidated joint ventures.
- (g) Excludes \$3,563 of adjustments for straight-lining of rents and (\$18) for the Company's share of straight-line rent adjustments from unconsolidated joint ventures.

17. IMPACT OF RECENTLY-ISSUED ACCOUNTING STANDARDS

In June 1998, the FASB issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities ("FASB No. 133"). FASB No. 133 is effective for all fiscal quarters of all fiscal years beginning after June 15, 1999. In June 1999, the FASB delayed the implementation date of FASB No. 133 by one year (January 1, 2001 for the Company). FASB No. 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. Management of the Company anticipates that, due to its limited use of derivative instruments, the adoption of FASB No. 133 will not have a significant effect on the Company's results of operations or its financial position.

MACK-CALI REALTY CORPORATION AND SUBSIDIARIES

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

The following discussion should be read in conjunction with the Consolidated Financial Statements of Mack-Cali Realty Corporation and the notes thereto. Certain defined terms used herein have the meaning ascribed to them in the Consolidated Financial Statements.

THREE MONTHS ENDED MARCH 31, 2000 COMPARED TO THREE MONTHS ENDED MARCH 31, 1999

The following comparisons for the three months ended March 31, 2000 ("2000"), as compared to the three months ended March 31, 1999 ("1999") make reference to the following: (i) the effect of the "Same-Store Properties," which represents all in-service properties owned by the Company at December 31, 1998, (ii) the effect of the "Acquired Properties," which represents all properties acquired or placed in service by the Company from January 1, 1999 through March 31, 2000, and (iii) the effect of the "Dispositions," which refers to the Company's sale of its property at 400 Alexander Road, Princeton, New Jersey on November 15, 1999 and its property at 20002 North 19th Avenue, Phoenix, Arizona on December 15, 1999.

<TABLE>
<CAPTION>

(IN THOUSANDS)	Quarter Ended		Dollar Change	Percent Change
	2000	1999		
	March 31,			

REVENUE FROM RENTAL OPERATIONS:				
<S>	<C>	<C>	<C>	<C>
Base rents	\$ 121,598	\$ 116,080	\$ 5,518	4.8%
Escalations and recoveries from tenants	16,668	14,860	1,808	12.2
Parking and other	3,322	3,900	(578)	(14.8)
Sub-total	141,588	134,840	6,748	5.0
Equity in earnings of unconsolidated joint ventures	1,137	(206)	1,343	651.9
Interest income	254	255	(1)	(0.4)
Total revenues	142,979	134,889	8,090	6.0
PROPERTY EXPENSES:				
Real estate taxes	14,704	13,843	861	6.2
Utilities	10,379	9,592	787	8.2
Operating services	17,742	17,087	655	3.8
Sub-total	42,825	40,522	2,303	5.7
General and administrative	6,113	7,963	(1,850)	(23.2)
Depreciation and amortization	22,182	21,969	213	1.0
Interest expense	26,426	23,622	2,804	11.9
Total expenses	97,546	94,076	3,470	3.7
Income before gain on sale of land and minority interests	45,433	40,813	4,620	11.3
Gain on sale of land	2,248	--	2,248	--
Income before minority interests	47,681	40,813	6,868	16.8
Minority interests:				
Operating partnership	8,976	8,749	227	2.6
Partially-owned properties	2,090	--	2,090	--
Net income	\$ 36,615	\$ 32,064	\$ 4,551	14.2%

</TABLE>

31

The following is a summary of the changes in revenue from rental operations and property expenses divided into Acquired Properties, Same-Store Properties and Dispositions (in thousands):

<TABLE> <CAPTION>									
	Total Company		Acquired Properties		Same-Store Properties		Dispositions		
	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change	
REVENUE FROM RENTAL OPERATIONS:									
Base rents	\$ 5,518	4.8%	\$ 3,678	3.2%	\$ 2,328	2.0%	\$ (488)	(0.4)%	
Escalations and recoveries from tenants	1,808	12.2	229	1.5	1,675	11.3	(96)	(0.6)	
Parking and other	(578)	(14.8)	24	0.6	(595)	(15.2)	(7)	(0.2)	
Total	\$ 6,748	5.0%	\$ 3,931	2.9%	\$ 3,408	2.5%	\$ (591)	(0.4)%	
PROPERTY EXPENSES:									
Real estate taxes	\$ 861	6.2%	\$ 378	2.7%	\$ 580	4.2%	\$ (97)	(0.7)%	
Utilities	787	8.2	216	2.3	574	6.0	(3)	(0.1)	
Operating services	655	3.8	576	3.4	155	0.8	(76)	(0.4)	

Total	\$ 2,303	5.7%	\$ 1,170	2.9%	\$ 1,309	3.3%	\$ (176)	(0.5)%
-------	----------	------	----------	------	----------	------	----------	--------

OTHER DATA:

Number of Consolidated Properties	254	12	242	2
Square feet (in thousands)	27,444	799	26,645	190

Base rents for the Same-Store Properties increased \$2.3 million, or 2.0 percent, for 2000 as compared to 1999, due primarily to rental rate increases in 2000. Escalations and recoveries from tenants for the Same-Store Properties increased \$1.7 million, or 11.3 percent, for 2000 over 1999, due to the recovery of an increased amount of total property expenses, as well as additional settle-up billings in 2000. Parking and other income for the Same-Store Properties decreased \$0.6 million, or 15.2 percent, due primarily to lease termination fees received in 1999.

Real estate taxes on the Same-Store Properties increased \$0.6 million, or 4.2 percent, for 2000 as compared to 1999, due primarily to property tax rate increases in certain municipalities in 2000. Utilities for the Same-Store Properties increased \$0.6 million, or 6.0 percent, for 2000 as compared to 1999, due primarily to increased usage in 2000. Operating services for the Company increased \$0.7 million, or 3.8 percent, due substantially to the Acquired Properties.

Equity in earnings of unconsolidated joint ventures increased \$1.3 million in 2000 as compared to 1999. This is due primarily to additional joint venture investments made by the Company (see Note 4 to the Financial Statements).

Interest income was substantially the same in 2000 as compared to 1999.

General and administrative expense decreased by \$1.9 million, or 23.2 percent, for 2000 as compared to 1999. This decrease is due primarily to decreased payroll and related costs in 2000.

Depreciation and amortization increased by \$0.2 million, or 1.0 percent, for 2000 over 1999. Of this increase, \$0.6 million or 2.8 percent, is attributable to the Acquired Properties, partially offset by a decrease of \$0.3 million, or 1.3 percent, due to the Same-Store Properties and a decrease of \$0.1 million, or 0.5 percent, due to the Dispositions.

Interest expense increased \$2.8 million, or 11.9 percent, for 2000 as compared to 1999. This increase is due primarily to the replacement in 1999 of short-term credit facility borrowings with long-term fixed rate unsecured debt.

Income before gain on sale of land and minority interests increased to \$45.4 million in 2000 from \$40.8 million in 1999. The increase of approximately \$4.6 million is due to the factors discussed above.

32

Net income increased by \$4.5 million, from \$32.1 million in 1999 to \$36.6 million in 2000. This increase was a result of an increase in income before gain on sale of land and minority interests of \$4.6 million, and a gain on sale of land of \$2.2 million in 2000. These were partially offset by an increase in minority interests of \$2.3 million.

LIQUIDITY AND CAPITAL RESOURCES

STATEMENT OF CASH FLOWS

During the three months ended March 31, 2000, the Company generated \$39.0 million in cash flows from operating activities, and together with \$67.9 million in borrowings from the Company's revolving credit facilities, \$1.3 million in distributions received from unconsolidated joint ventures, \$4.2 million in proceeds from a sale of land, \$0.7 million from restricted cash and \$2.5 million from the Company's cash reserves, used an aggregate of approximately \$115.6 million to acquire properties and land parcels and pay for other tenant and building improvements totaling \$39.8 million, repay outstanding borrowings on its revolving credit facilities and other mortgage debt of \$29.5 million, pay quarterly dividends and distributions of \$42.5 million, invest \$2.6 million in unconsolidated joint ventures, and distribute \$1.2 million to consolidated partially-owned properties.

CAPITALIZATION

In August 1998, the Board of Directors of the Company authorized a share repurchase program under which the Company was permitted to purchase up to \$100.0 million of the Company's outstanding common stock. Purchases could be made from time to time in open market transactions at prevailing prices or through privately negotiated transactions. Subsequently, through March 31, 2000, the Company purchased for constructive retirement, 1,869,200 shares of its outstanding common stock for an aggregate cost of approximately \$52.6 million. Concurrent with these purchases, the Company sold to the Operating Partnership

1,869,200 common units for approximately \$52.6 million.

As of March 31, 2000, the Company's total indebtedness of \$1.5 billion (weighted average interest rate of 7.19 percent) was comprised of \$288.4 million of revolving credit facility borrowings and other variable rate mortgage debt (weighted average rate of 6.93 percent) and fixed rate debt of \$1.2 billion (weighted average rate of 7.24 percent).

As of March 31, 2000, the Company had outstanding borrowings of \$216.2 million under its revolving credit facilities (with aggregate borrowing capacity of \$1.1 billion). The total outstanding borrowings were from the Unsecured Facility, with no outstanding borrowings under the Prudential Facility. The Unsecured Facility, with 28 lender banks, carries an interest rate, at the Company's election, of either 90 basis points over LIBOR or the higher of the lender's prime rate or the Federal Funds rate plus 50 basis points and matures in April 2001. The interest rate is currently LIBOR plus 90 basis points. The Prudential Facility carries an interest rate of 110 basis points over LIBOR and matures in December 2000.

The terms of the Unsecured Facility include certain restrictions and covenants which limit, among other things, the payment of dividends (as discussed below), the incurrence of additional indebtedness, the incurrence of liens and the disposition of assets, and which require compliance with financial ratios relating to the maximum leverage ratio, the maximum amount of secured indebtedness, the minimum amount of tangible net worth, the minimum amount of debt service coverage, the minimum amount of fixed charge coverage, the maximum amount of unsecured indebtedness, the minimum amount of unencumbered property debt service coverage and certain investment limitations. The dividend restriction referred to above provides that, except to enable the Company to continue to qualify as a REIT under the Code, the Company will not during any four consecutive fiscal quarters make distributions with respect to common stock or other equity interests in an aggregate amount in excess of 90 percent of funds from operations for such period, subject to certain other adjustments. The Unsecured Facility also requires a 17.5 basis point fee on the unused balance payable quarterly in arrears.

The Company has three investment grade credit ratings. Standard & Poor's Rating Services ("S&P") and Duff & Phelps Credit Rating Co. ("DCR") have each assigned their BBB rating to existing and prospective senior unsecured debt of the Operating Partnership. S&P and DCR have also assigned their BBB- rating to prospective preferred stock offerings of the Company. Moody's Investors Service has assigned its Baa3 rating to the existing and prospective senior unsecured debt of the Operating Partnership and its Bal rating to prospective preferred stock offerings of the Company.

33

The terms of the unsecured corporate debt include certain restrictions and covenants which require compliance with financial ratios relating to the maximum amount of debt leverage, the maximum amount of secured indebtedness, the minimum amount of debt service coverage and the maximum amount of unsecured debt as a percent of unsecured assets.

As of March 31, 2000, the Company had 224 unencumbered properties, totaling 20.5 million square feet, representing 74.8 percent of the Company's total portfolio on a square footage basis.

The Company has an effective shelf registration statement with the SEC for an aggregate amount of \$2.0 billion in equity securities of the Company. The Company and Operating Partnership also have an effective shelf registration statement with the SEC for an aggregate of \$2.0 billion in debt securities, preferred stock and preferred stock represented by depositary shares, under which the Operating Partnership has issued an aggregate of \$785.3 million of unsecured corporate debt. The Company also has an effective registration statement with the SEC for a dividend reinvestment and stock purchase plan, which commenced in March 1999.

Historically, rental revenue has been the principal source of funds to pay operating expenses, debt service and capital expenditures, excluding non-recurring capital expenditures. Management believes that the Company will have access to the capital resources necessary to expand and develop its business. To the extent that the Company's cash flow from operating activities is insufficient to finance its non-recurring capital expenditures such as property acquisition and construction project costs and other capital expenditures, the Company expects to finance such activities through borrowings under its revolving credit facilities and other debt and equity financing.

The Company expects to meet its short-term liquidity requirements generally through its working capital and net cash provided by operating activities, along with the Unsecured Facility and the Prudential Facility. The Company is frequently examining potential property acquisitions and construction projects and, at any given time, one or more of such acquisitions or construction projects may be under consideration. Accordingly, the ability to fund property acquisitions and construction projects is a major part of the

Company's financing requirements. The Company expects to meet its financing requirements through funds generated from operating activities, proceeds from property sales, long-term or short-term borrowings (including draws on the Company's revolving credit facilities) and the issuance of additional debt or equity securities. In addition, the Company anticipates utilizing the Unsecured Facility and the Prudential Facility primarily to fund property acquisitions and construction projects.

As of March 31, 2000, the Company's total debt had a weighted average term to maturity of 5.1 years. The Company does not intend to reserve funds to retire the unsecured corporate debt, Harborside mortgages, \$150.0 Million Prudential Mortgage Loan, its other property mortgages or other long-term mortgages and loans payable upon maturity. Instead, the Company will seek to refinance such debt at maturity or retire such debt through the issuance of additional equity or debt securities. The Company is reviewing various refinancing options, including the issuance of additional unsecured corporate debt, preferred stock, and/or obtaining additional mortgage debt, some or all of which may be completed during 2000. The Company anticipates that its available cash and cash equivalents and cash flows from operating activities, together with cash available from borrowings and other sources, will be adequate to meet the Company's capital and liquidity needs both in the short and long-term. However, if these sources of funds are insufficient or unavailable, the Company's ability to make the expected distributions discussed below may be adversely affected.

To maintain its qualification as a REIT, the Company must make annual distributions to its stockholders of at least 95 percent of its REIT taxable income, determined without regard to the dividends paid deduction and by excluding net capital gains. Moreover, the Company intends to continue to make regular quarterly distributions to its stockholders which, based upon current policy, in the aggregate would equal approximately \$136.2 million on an annualized basis. However, any such distribution, whether for federal income tax purposes or otherwise, would only be paid out of available cash after meeting both operating requirements and scheduled debt service on mortgages and loans payable.

SIGNIFICANT TENANTS

The following table sets forth a schedule of the Company's 20 largest tenants for the Consolidated Properties as of March 31, 2000, based upon annualized base rents:

<TABLE>
<CAPTION>

Year of Lease	Number of Properties	Annualized Base Rental Revenue (\$)	Percentage of Company Annualized Base Rental Revenue (%)	Square Feet Leased	Percentage of Total Company Leased Sq.Ft.
(%) Expiration		(1)			
<S>	<C>	<C>	<C>	<C>	<C>
<C> <C>					
Donaldson, Lufkin & Jenrette Securities Corp. (2)	2	18,067,060	3.8	713,582	2.7
2011 (3)					
AT&T Corporation	5	14,649,475	3.1	995,596	3.8
2009 (4)					
AT&T Wireless Services	2	8,199,959	1.7	382,030	1.5
2007 (5)					
IBM Corporation	5	7,553,299	1.6	391,910	1.5
2007 (6)					
Keystone Mercy Health Plan	3	7,188,931	1.5	315,304	1.2
2015 (7)					
Prentice-Hall Inc.	1	6,744,495	1.4	474,801	1.8
2014					
Allstate Insurance Company	10	6,388,017	1.4	293,820	1.1
2009 (8)					
Nabisco Inc.	2	5,467,178	1.2	300,378	1.2
2005					
Toys 'R' US - NJ, Inc.	1	5,342,672	1.1	242,518	0.9
2012					
American Institute of Certified Public Accountants	1	4,981,357	1.1	249,768	1.0
2012					
Board of Gov./Federal Reserve	1	4,627,379	1.0	117,008	0.4
2009 (9)					
Dean Witter Trust Company	1	4,319,508	0.9	221,019	0.8
2008					
Winston & Strawn	1	4,302,007	0.9	108,100	0.4
2003					

CMP Media Inc. 2014	1	4,206,598	0.9	206,274	0.8
KPMG Peat Marwick, LLP 2007(10)	2	3,824,080	0.8	161,760	0.6
Move.com 2006	1	3,701,763	0.8	94,917	0.4
Bank of Tokyo - Mitsubishi Ltd. 2009	1	3,378,923	0.7	137,076	0.5
Bankers Trust Harborside Inc. 2003	1	3,272,500	0.7	385,000	1.5
Cendant Operations Inc. 2008	1	3,117,051	0.7	148,431	0.6
Deloitte & Touche USA, LLP 2002	1	3,073,126	0.6	115,967	0.4

Totals		122,405,378	25.9	6,055,259	23.1
=====					

</TABLE>

- (1) Annualized base rental revenue is based on actual March 2000 billings times 12. For leases whose rent commences after April 1, 2000, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.
- (2) The Company sold its property at 95 Christopher Columbus Drive in which this tenant leased 441,629 square feet representing \$9,750,963 annualized base rental revenue. Such leases were scheduled to expire July 2009.
- (3) 441,629 square feet expire July 2009; 271,953 square feet expire October 2011.
- (4) 3,950 square feet expire August 2000; 66,268 square feet expire December 2000; 63,278 square feet expire May 2004; 475,100 square feet expire January 2008; 387,000 square feet expire January 2009.
- (5) 12,150 square feet expire September 2004; 345,799 square feet expire March 2007; 24,081 square feet expire June 2007.
- (6) 29,157 square feet expire October 2000; 28,289 square feet expire January 2002; 1,065 square feet expire November 2002; 85,000 square feet expire December 2005; 248,399 square feet expire December 2007.
- (7) 32,171 square feet expire January 2003; 283,133 square feet expire April 2015.
- (8) 22,444 square feet expire July 2001; 70,517 square feet expire June 2002; 71,030 square feet expire September 2002; 18,882 square feet expire April 2003; 2,867 square feet expire January 2004; 36,305 square feet expire January 2005; 23,024 square feet expire November 2005; 6,108 square feet expire August 2006; 31,143 square feet expire April 2008; 11,500 square feet expire April 2009.
- (9) 94,719 square feet expire May 2005; 22,289 square feet expire July 2009.
- (10) 104,556 square feet expire September 2002; 57,204 square feet expire July 2007.

35

SCHEDULE OF LEASE EXPIRATIONS

The following table sets forth a schedule of the lease expirations for the total of the Company's office, office/flex, industrial/warehouse and stand-alone retail properties, included in the Consolidated Properties, beginning April 1, 2000, assuming that none of the tenants exercise renewal options:

<TABLE>

<CAPTION>

Percentage Of Annual Base Rent Under Year Of Expiring Expiration Leases (%)	Number Of Leases Expiring (1)	Net Rentable Area Subject To Expiring Leases (Sq. Ft.)	Percentage Of Total Leased Square Feet Represented By Expiring Leases (%) (2)	Annualized Base Rental Revenue Under Expiring Leases (\$) (3)	Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases (\$)
<S>	<C>	<C>	<C>	<C>	<C>
2000.....	413	2,218,813	8.5	38,021,274	17.14
8.0					

2001..... 10.3	528	3,018,411	11.6	48,714,135	16.14
2002..... 13.3	540	3,573,378	13.7	62,999,403	17.63
2003..... 13.5	414	3,664,073	14.0	63,949,839	17.45
2004..... 9.0	325	2,258,440	8.6	42,551,267	18.84
2005..... 10.5	213	2,575,989	9.9	49,473,325	19.21
2006..... 5.4	87	1,212,928	4.6	25,515,833	21.04
2007..... 5.9	51	1,352,539	5.2	27,754,228	20.52
2008..... 5.2	39	1,548,490	5.9	24,621,164	15.90
2009..... 6.4	41	1,507,489	5.8	30,083,143	19.96
2010..... 2.6	41	657,119	2.5	12,533,034	19.07
2011 and thereafter 9.9	38	2,530,802	9.7	46,773,711	18.48

Totals/Weighted
Average 2,730 26,118,471 100.0(4) 472,990,356 18.11
100.0
=====

</TABLE>

- (1) Includes office, office/flex, industrial/warehouse and stand-alone retail property tenants only. Excludes leases for amenity, retail, parking and month-to-month tenants. Some tenants have multiple leases.
(2) Excludes all unleased space as of March 31, 2000.
(3) Annualized base rental revenue is based on actual March 2000 billings times 12. For leases whose rent commences after April 1, 2000, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.
(4) Reconciliation to Company's total net rentable square footage is as follows:

	Square Feet	Percentage of
Total	-----	-----
<S>	<C>	<C>
Square footage leased to commercial tenants	26,118,471	95.2%
Square footage used for corporate offices, management offices, building use, retail tenants, food services, other ancillary service tenants and occupancy adjustments	433,150	1.5
Square footage unleased	892,453	3.3
	-----	---
Total net rentable square footage (does not include residential, land lease, retail or not-in-service properties)	27,444,074	100.0%
	=====	=====

</TABLE>

SCHEDULE OF LEASE EXPIRATIONS: OFFICE PROPERTIES

The following table sets forth a schedule of the lease expirations for the office properties beginning April 1, 2000, assuming that none of the tenants exercise renewal options:

<TABLE>
<CAPTION>

Percentage Of Annual Base Rent Under Year Of Expiring Leases (%)	Number Of Leases Expiring (1)	Net Rentable Area Subject To Expiring Leases (Sq. Ft.)	Percentage Of Total Leased Square Feet Represented By Expiring Leases (%) (2)	Annualized Base Rental Revenue Under Expiring Leases (\$) (3)	Rent Per Net Rentable Square Foot Represented By Expiring Leases (\$)
<S> <C>	<C>	<C>	<C>	<C>	<C>
2000..... 7.9	347	1,826,454	8.4	33,524,896	18.36
2001..... 9.8	439	2,327,468	10.7	41,577,906	17.86
2002..... 12.8	442	2,742,228	12.6	54,319,812	19.81
2003..... 13.6	343	3,035,257	14.0	57,694,966	19.01
2004..... 8.7	275	1,750,016	8.1	36,654,024	20.94
2005..... 10.7	174	2,218,605	10.2	45,127,206	20.34
2006..... 5.0	71	951,044	4.4	21,235,448	22.33
2007..... 6.1	43	1,217,108	5.6	25,820,994	21.22
2008..... 5.6	36	1,398,895	6.4	23,679,306	16.93
2009..... 6.7	31	1,376,429	6.3	28,285,533	20.55
2010..... 2.6	33	561,258	2.6	11,197,889	19.95
2011 and thereafter 10.5	32	2,330,114	10.7	44,301,662	19.01
Total/Weighted Average 100.0	2,266	21,734,876	100.0	423,419,642	19.48

</TABLE>

- (1) Includes office, office flex, industrial/warehouse and stand-alone retail property tenants only. Excludes leases for amenity, retail, parking and month-to-month office tenants. Some tenants have multiple leases.
- (2) Excludes all unleased space as of March 31, 2000.
- (3) Annualized base rental revenue is based on actual March 2000 billings times 12. For leases whose rent commences after April 1, 2000, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.

SCHEDULE OF LEASE EXPIRATIONS: OFFICE/FLEX PROPERTIES

The following table sets forth a schedule of the lease expirations for the office/flex properties beginning April 1, 2000, assuming that none of the tenants exercise renewal options:

<TABLE>
<CAPTION>

Net Rentable	Percentage Of Total Leased	Annualized	Average Annual Rent Per Net Rentable
--------------	-------------------------------	------------	--

Percentage Of Annual Base Rent Under Year Of Expiring Expiration Leases (%)	Number Of Leases Expiring (1)	Area Subject To Expiring Leases (Sq. Ft.)	Square Feet Represented By Expiring Leases (%) (2)	Base Rental Revenue Under Expiring Leases (\$) (3)	Square Foot Represented By Expiring Leases (\$)
<S>	<C>	<C>	<C>	<C>	<C>
2000..... 9.9	63	391,024	9.8	4,479,483	11.46
2001..... 15.5	86	681,496	17.1	7,043,952	10.34
2002..... 18.0	96	784,710	19.7	8,181,884	10.43
2003..... 12.7	67	530,842	13.3	5,759,750	10.85
2004..... 7.5	39	299,004	7.5	3,418,751	11.43
2005..... 9.2	36	344,230	8.6	4,177,610	12.14
2006..... 9.4	16	261,884	6.6	4,280,385	16.34
2007..... 4.3	8	135,431	3.4	1,933,234	14.27
2008..... 2.1	3	149,595	3.8	941,858	6.30
2009..... 3.7	9	119,260	3.0	1,691,410	14.18
2010..... 2.9	8	95,861	2.4	1,335,145	13.93
2011 and thereafter 4.8	5	192,688	4.8	2,207,049	11.45
Totals/Weighted Average 100.0	436	3,986,025	100.0	45,450,511	11.40

</TABLE>

- (1) Includes office/flex tenants only. Excludes leases for amenity, retail, parking and month-to-month office/flex tenants. Some tenants have multiple leases.
- (2) Excludes all unleased space as of March 31, 2000.
- (3) Annualized base rental revenue is based on actual March 2000 billings times 12. For leases whose rent commences after April 1, 2000, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.

SCHEDULE OF LEASE EXPIRATIONS: INDUSTRIAL/WAREHOUSE PROPERTIES

The following table sets forth a schedule of the lease expirations for the industrial/warehouse properties beginning April 1, 2000, assuming that none of the tenants exercise renewal options:

<TABLE>

<CAPTION>

Number Of	Net Rentable Area Subject To Expiring	Percentage Of Total Leased Square Feet Represented By	Annualized Base Rental Revenue Under	Average Annual Rent Per Net Square Foot Represented	Percentage Of Annual Base Rent Under
-----------	---------------------------------------	---	--------------------------------------	---	--------------------------------------

Year Of Expiration	Leases Expiring (1)	Leases (Sq. Ft.)	Expiring Leases (%) (2)	Expiring Leases (\$) (3)	By Expiring Leases (\$)	Expiring Leases (%)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2000.....	3	1,335	0.4	16,895	12.66	0.5
2001.....	3	9,447	2.5	92,277	9.77	2.5
2002.....	2	46,440	12.2	497,707	10.72	13.6
2003.....	4	97,974	25.8	495,123	5.05	13.5
2004.....	10	200,120	52.6	2,283,492	11.41	62.4
2005.....	3	13,154	3.5	168,509	12.81	4.6
2009.....	1	11,800	3.0	106,200	9.00	2.9

Totals/Weighted Average	26	380,270	100.0	3,660,203	9.63	100.0

</TABLE>

- (1) Includes industrial/warehouse tenants only. Excludes leases for amenity, retail, parking and month-to-month industrial/warehouse tenants. Some tenants have multiple leases.
- (2) Excludes all unleased space as of March 31, 2000.
- (3) Annualized base rental revenue is based on actual March 2000 billings times 12. For leases whose rent commences after April 1, 2000, annualized base rent revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, the historical results may differ from those set forth above.

SCHEDULE OF LEASE EXPIRATIONS: STAND-ALONE RETAIL PROPERTIES

The following table sets forth a schedule of the lease expirations for the stand-alone retail properties beginning April 1, 2000, assuming that none of the tenants exercise renewal options:

<TABLE>
<CAPTION>

Year Of Expiration	Number Of Leases Expiring (1)	Net Rentable Area Subject To Expiring Leases (Sq. Ft.)	Percentage Of Total Leased Square Feet Represented By Expiring Leases (%)	Annualized Base Rental Revenue Under Expiring Leases (\$) (2)	Average Annual Rent Per Net Square Foot Represented By Expiring Leases (\$)	Percentage Of Annual Base Rent Under Expiring Leases (%)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2004.....	1	9,300	53.8	195,000	20.97	42.4
2012	1	8,000	46.2	265,000	33.12	57.6

Totals/Weighted Average	2	17,300	100.0	460,000	26.59	100.0

</TABLE>

- (1) Includes stand-alone retail property tenants only.
- (2) Annualized base rental revenue is based on actual March 2000 billings times 12. For leases whose rent commences after April 1, 2000, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.

INDUSTRY DIVERSIFICATION

The following table lists the Company's 30 largest industry classifications based on annualized contractual base rent of the Consolidated Properties:

<TABLE>
<CAPTION>

Percentage of Company	Annualized Base Rental Revenue (\$)	Percentage of Company Annualized Base Rental Revenue (%)	Square Feet Leased	Total Leased Sq. Ft.
Industry Classification (3) (%)	(1) (2)			

<S>	<C>	<C>	<C>	<C>
Securities, Commodity Contracts & Other Financial	56,562,395	12.0	2,544,664	9.7
Manufacturing	44,927,743	9.5	2,747,078	10.5
Telecommunications	35,772,853	7.6	2,253,695	8.6
Computer System Design Svcs.	32,919,498	7.0	1,800,119	6.9
Insurance Carriers & Related Assistance	31,176,587	6.6	1,636,238	6.3
Legal Services	27,500,898	5.8	1,268,663	4.9
Credit Intermediation & Related Activities	22,157,662	4.7	1,307,731	5.0
Health Care & Social Assistance	21,972,051	4.6	1,146,936	4.4
Wholesale Trade	17,690,542	3.7	1,282,107	4.9
Accounting/Tax Prep.	15,814,039	3.3	752,432	2.9
Other Professional	14,923,692	3.2	899,248	3.4
Retail Trade	13,846,891	2.9	830,476	3.2
Information Services	13,256,829	2.8	622,624	2.4
Publishing Industries	12,570,982	2.7	568,864	2.2
Arts, Entertainment & Recreation	11,522,255	2.4	793,248	3.0
Public Administration	9,961,562	2.1	331,504	1.3
Other Services (except Public Administration)	9,187,245	1.9	730,781	2.8
Transportation	8,219,907	1.7	659,445	2.5
Data Processing Services	7,878,985	1.7	357,975	1.4
Advertising/Related Services	7,532,985	1.6	372,339	1.4
Scientific Research/Development	7,300,312	1.5	408,000	1.6
Management of Companies & Finance	7,135,509	1.5	383,128	1.5
Architectural/Engineering	5,971,767	1.3	350,949	1.3
Real Estate & Rental & Leasing	5,855,815	1.2	326,782	1.3
Management/Scientific	5,526,713	1.2	281,918	1.1
Construction	4,391,752	0.9	257,847	1.0
Utilities	3,597,564	0.8	172,734	0.7
Educational Services	3,395,885	0.7	200,252	0.8
Admin. & Support, Waste Mgt. & Remediation Svc.	3,169,925	0.7	232,209	0.9
Monetary Authorities - Central Banks	2,770,958	0.6	168,579	0.6
Other	8,478,555	1.8	429,906	1.5

Totals	472,990,356	100.0	26,118,471	100.0
=====				
==				

</TABLE>

- (1) Annualized base rental revenue is based on actual March 2000 billings times 12. For leases whose rent commences after April 1, 2000, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.
- (2) Includes office, office/flex, industrial/warehouse and stand-alone retail tenants only. Excludes leases for amenity, retail, parking and month-to-month office tenants. Some tenants have multiple leases.
- (3) The Company's tenants are classified according to the U.S. Government's new North American Industrial Classification System (NAICS) which is replacing the Standard Industrial Code (SIC) system.

40

MARKET DIVERSIFICATION

The following table lists the Company's 25 largest markets (MSAs), based on annualized contractual base rent of the Consolidated Properties:

<TABLE> <CAPTION>	Annualized Base Rental Revenue	Percentage of Company Annualized Base Rental Revenue (%)	Total Property Size Rentable Area	Percentage Rentable
of Market (MSA) Area (%)	(\$)	(1) (2)		

<S>	<C>	<C>	<C>	<C>
Bergen-Passaic, NJ	81,667,982	17.3	4,530,091	16.5
New York, NY (Westchester-Rockland Counties)	71,823,516	15.2	4,355,070	15.9
Newark, NJ (Essex-Morris-Union Counties)	70,744,496	15.0	3,671,218	13.4
Jersey City, NJ	50,747,629	10.7	2,508,700	9.1
Philadelphia, PA-NJ	37,993,831	8.0	2,657,858	9.7
Washington, DC-MD-VA	18,105,468	3.8	616,549	2.2
Denver, CO	16,891,099	3.6	1,007,931	3.7
Dallas, TX	14,505,036	3.1	959,463	3.5
Trenton, NJ (Mercer County)	13,219,761	2.8	672,365	2.4
Middlesex-Somerset-Hunterdon, NJ	12,510,931	2.6	659,041	2.4
San Antonio, TX	11,684,709	2.5	940,302	3.4
San Francisco, CA	10,088,755	2.1	450,891	1.6
Stamford-Norwalk, CT	8,744,573	1.8	527,250	1.9
Houston, TX	8,602,083	1.8	700,008	2.6

Monmouth-Ocean, NJ	6,562,968	1.4	577,423	2.1
Nassau-Suffolk, NY	5,762,698	1.2	261,849	1.0
Austin-San Marcos, TX	5,627,516	1.2	270,703	1.0
Phoenix-Mesa, AZ	5,411,031	1.1	416,967	1.5
Tampa-St. Petersburg-Clearwater, FL	3,583,925	0.8	297,429	1.1
Boulder-Longmont, CO	3,543,931	0.7	270,421	1.0
Omaha, NE-IA	3,066,925	0.6	319,535	1.2
Bridgeport, CT	2,898,435	0.6	145,487	0.5
Colorado Springs, CO	2,832,524	0.6	209,987	0.8
Dutchess County, NY	2,185,858	0.5	118,727	0.4
Atlantic-Cape May, NJ	1,467,726	0.3	80,344	0.3
Other	2,716,950	0.7	218,465	0.8

Totals 472,990,356 100.0 27,444,074 100.0
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</TABLE>

- (1) Annualized base rental revenue is based on actual March 2000 billings times 12. For leases whose rent commences after April 1, 2000, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.
- (2) Includes office, office/flex, industrial/warehouse and stand-alone retail tenants only. Excludes leases for amenity, retail, parking and month-to-month office tenants. Some tenants have multiple leases.

PROPERTY LISTING

OFFICE PROPERTIES

<TABLE>
<CAPTION>

AVERAGE	NET	PERCENTAGE	ANNUAL	PERCENTAGE OF	BASE	
RENT	RENTABLE	LEASED	BASE	TOTAL OFFICE,	PER SQ.	
PROPERTY	YEAR	AS OF	RENT	OFFICE/FLEX,		
FT.	BUILT	3/31/00	(\$000'S) (2)	AND INDUSTRIAL/	(\$)	
LOCATION	(SQ. FT.)	(%) (1)		WAREHOUSE	(3)	
(5)				BASE RENT (%)		

<S>	<C>	<C>	<C>	<C>	<C>	
ATLANTIC COUNTY, NEW JERSEY						
EGG HARBOR						
100 Decadon Drive.....	1987	40,422	100.0	784	0.17	19.40
200 Decadon Drive.....	1991	39,922	94.9	737	0.16	19.45
BERGEN COUNTY, NEW JERSEY						
FAIR LAWN						

17-17 Route 208 North.....	1987	143,000	96.0	3,387	0.71	24.67
FORT LEE						

One Bridge Plaza.....	1981	200,000	98.8	4,636	0.98	23.46
2115 Linwood Avenue (4).....	1981	68,000	85.0	453	0.10	7.83
LITTLE FERRY						

200 Riser Road.....	1974	286,628	100.0	1,879	0.40	6.56
MONTVALE						

95 Chestnut Ridge Road.....	1975	47,700	100.0	569	0.12	11.93
135 Chestnut Ridge Road.....	1981	66,150	100.0	971	0.20	14.68
PARAMUS						

15 East Midland Avenue.....	1988	259,823	100.0	6,643	1.40	25.57
461 From Road.....	1988	253,554	99.8	6,021	1.27	23.79
650 From Road.....	1978	348,510	100.0	7,532	1.59	21.61
140 Ridgewood Avenue	1981	239,680	100.0	5,115	1.08	21.34
61 South Paramus Avenue.....	1985	269,191	100.0	5,451	1.15	20.25
ROCHELLE PARK						

120 Passaic Street.....	1972	52,000	100.0	576	0.12	11.08
365 West Passaic Street.....	1976	212,578	93.6	3,546	0.75	17.82
SADDLE RIVER						

1 Lake Street.....	1973/94	474,801	100.0	7,469	1.58	15.73

UPPER SADDLE RIVER

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 3/31/00 (%) (1)	ANNUAL BASE RENT (\$000'S) (2)	PERCENTAGE OF TOTAL OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT (%)	AVERAGE BASE RENT PER SQ. FT. (\$)
10 Mountainview Road.....	1986	192,000	100.0	3,716	0.78	19.35
WOODCLIFF LAKE						
400 Chestnut Ridge Road.....	1982	89,200	100.0	2,128	0.45	23.86
470 Chestnut Ridge Road.....	1987	52,500	100.0	1,192	0.25	22.70
530 Chestnut Ridge Road.....	1986	57,204	100.0	1,166	0.25	20.38
50 Tice Boulevard.....	1984	235,000	98.1	4,856	1.03	21.06
300 Tice Boulevard.....	1991	230,000	100.0	4,942	1.04	21.49

BURLINGTON COUNTY, NEW JERSEY

MOORESTOWN

224 Strawbridge Drive.....	1984	74,000	95.2	1,053	0.22	14.95
228 Strawbridge Drive.....	1984	74,000	100.0	1,434	0.30	19.38

ESSEX COUNTY, NEW JERSEY

MILLBURN

150 J.F. Kennedy Parkway.....	1980	247,476	95.0	5,772	1.22	24.55
ROSELAND						
101 Eisenhower Parkway.....	1980	237,000	94.3	4,105	0.87	18.37
103 Eisenhower Parkway.....	1985	151,545	99.2	3,077	0.65	20.47

HUDSON COUNTY, NEW JERSEY

JERSEY CITY

95 Christopher Columbus Drive (7).....	1989	621,900	100.0	12,870	2.72	20.69
Harborside Financial Center Plaza I.....	1983	400,000	99.0	3,303	0.70	8.34
Harborside Financial Center Plaza II....	1990	761,200	100.0	17,617	3.73	23.14
Harborside Financial Center Plaza III...	1990	725,600	100.0	16,793	3.54	23.14

</TABLE>

PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

<TABLE>
<CAPTION>

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 3/31/00 (%) (1)	ANNUAL BASE RENT (\$000'S) (2)	PERCENTAGE OF TOTAL OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT (%)	AVERAGE BASE RENT PER SQ. FT. (\$)
MERCER COUNTY, NEW JERSEY						
PRINCETON						
400 Alexander Road (6).....	1987	n/a	n/a	783	0.17	n/a
103 Carnegie Center.....	1984	96,000	100.0	2,169	0.46	22.59
100 Overlook Center	1988	149,600	100.0	3,792	0.80	25.35
5 Vaughn Drive.....	1987	98,500	100.0	2,240	0.47	22.74
MIDDLESEX COUNTY, NEW JERSEY						
EAST BRUNSWICK						
377 Summerhill Road.....	1977	40,000	100.0	373	0.08	9.33
PLAINSBORO						
500 College Road East.....	1984	158,235	100.0	3,402	0.72	21.50
SOUTH BRUNSWICK						
3 Independence Way.....	1983	111,300	99.9	1,999	0.42	17.98
WOODBIDGE						
581 Main Street.....	1991	200,000	100.0	4,552	0.96	22.76
MONMOUTH COUNTY, NEW JERSEY						
NEPTUNE						
3600 Route 66.....	1989	180,000	100.0	2,413	0.51	13.41
WALL TOWNSHIP						
1305 Campus Parkway.....	1988	23,350	92.4	419	0.09	19.42

1350 Campus Parkway.....	1990	79,747	94.7	1,337	0.28	16.78
MORRIS COUNTY, NEW JERSEY						
FLORHAM PARK						

325 Columbia Turnpike.....	1987	168,144	100.0	3,895	0.82	23.16
MORRIS PLAINS						

201 Littleton Road.....	1979	88,369	100.0	1,710	0.36	19.35
250 Johnson Road.....	1977	75,000	100.0	1,090	0.23	14.53
MORRIS TOWNSHIP						

340 Mt. Kemble Avenue.....	1985	387,000	100.0	5,529	1.17	14.29
412 Mt. Kemble Avenue.....	1986	475,100	100.0	6,902	1.46	14.53
PARSIPPANY						

7 Campus Drive.....	1982	154,395	100.0	2,550	0.54	16.50
8 Campus Drive	1987	215,265	92.8	4,964	1.05	23.06
2 Dryden Way.....	1990	6,216	100.0	68	0.01	10.94
2 Hilton Court.....	1991	181,592	100.0	4,495	0.95	24.75
600 Parsippany Road.....	1978	96,000	100.0	1,393	0.29	14.51
1 Sylvan Way.....	1989	150,557	100.0	3,503	0.74	23.27
5 Sylvan Way.....	1989	151,383	96.8	3,473	0.73	23.70
7 Sylvan Way.....	1987	145,983	100.0	2,920	0.62	20.00
PASSAIC COUNTY, NEW JERSEY						
CLIFTON						

777 Passaic Avenue.....	1983	75,000	65.1	986	0.21	20.19
TOTOWA						

999 Riverview Drive.....	1988	56,066	100.0	934	0.20	16.66
WAYNE						

201 Willowbrook Boulevard.....	1970	178,329	99.0	2,440	0.52	13.82

43

PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

<TABLE>
<CAPTION>

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 3/31/00 (%) (1)	ANNUAL BASE RENT (\$000'S) (2)	PERCENTAGE OF TOTAL OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT (%)	AVERAGE BASE RENT PER SQ. FT. (\$ (3) (5)

<S>	<C>	<C>	<C>	<C>	<C>	<C>
SOMERSET COUNTY, NEW JERSEY						
BASKING RIDGE						

222 Mt. Airy Road.....	1986	49,000	100.0	742	0.16	15.14
233 Mt. Airy Road.....	1987	66,000	100.0	762	0.16	11.55
BRIDGEWATER						
721 Route 202/206.....	1989	192,741	100.0	3,989	0.84	20.70
UNION COUNTY, NEW JERSEY						
CLARK						

100 Walnut Avenue.....	1985	182,555	100.0	4,528	0.96	24.80
CRANFORD						

6 Commerce Drive.....	1973	56,000	100.0	1,063	0.22	18.98
11 Commerce Drive.....	1981	90,000	90.8	1,079	0.23	13.20
12 Commerce Drive.....	1967	72,260	89.4	613	0.13	9.49
20 Commerce Drive.....	1990	176,600	92.7	3,660	0.77	22.36
65 Jackson Drive.....	1984	82,778	100.0	1,593	0.34	19.24
NEW PROVIDENCE						

890 Mountain Road.....	1977	80,000	100.0	2,049	0.43	25.61

TOTAL NEW JERSEY OFFICE		11,939,649	98.9	230,202	48.63	19.50

DUTCHESS COUNTY, NEW YORK
FISHKILL

300 South Lake Drive..... 1987 118,727 99.8 2,132 0.45 17.99

NASSAU COUNTY, NEW YORK
NORTH HEMPSTEAD

111 East Shore Road..... 1980 55,575 100.0 1,515 0.32 27.26
600 Community Drive..... 1983 206,274 100.0 4,900 1.03 23.75

ROCKLAND COUNTY, NEW YORK
SUFFERN

400 Rella Boulevard..... 1988 180,000 98.2 3,545 0.75 20.06

WESTCHESTER COUNTY, NEW YORK
ELMSFORD

100 Clearbrook Road..... 1975 60,000 100.0 912 0.19 15.20
101 Executive Boulevard..... 1971 50,000 79.5 802 0.17 20.18
570 Taxter Road..... 1972 75,000 89.4 1,392 0.29 20.76

HAWTHORNE

30 Saw Mill River Road..... 1982 248,400 100.0 5,220 1.10 21.01
1 Skyline Drive..... 1980 20,400 99.0 249 0.05 12.33
2 Skyline Drive..... 1987 30,000 98.9 504 0.11 16.99
17 Skyline Drive..... 1989 85,000 100.0 1,235 0.26 14.53
7 Skyline Drive..... 1987 109,000 100.0 2,154 0.45 19.76

TARRYTOWN

200 White Plains Road..... 1982 89,000 86.3 1,814 0.38 23.62
220 White Plains Road..... 1984 89,000 99.4 1,741 0.37 19.68

WHITE PLAINS

1 Barker Avenue..... 1975 68,000 99.0 1,567 0.33 23.28
3 Barker Avenue..... 1983 65,300 100.0 1,372 0.29 21.01
50 Main Street..... 1985 309,000 98.8 7,642 1.61 25.04
11 Martine Avenue..... 1987 180,000 100.0 4,186 0.88 21.97
1 Water Street..... 1979 45,700 97.8 956 0.20 21.39

</TABLE>

PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

<TABLE>

<CAPTION>

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 3/31/00 (%) (1)	ANNUAL BASE RENT (\$000'S) (2)	PERCENTAGE OF TOTAL OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT (%)	AVERAGE BASE RENT PER SQ. FT. (\$) (3) (5)
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YONKERS						
1 Executive Boulevard.....	1982	112,000	100.0	2,383	0.50	21.28
3 Executive Plaza.....	1987	58,000	100.0	1,110	0.23	19.14

TOTAL NEW YORK OFFICE 2,254,376 98.2 47,331 9.96 21.38

CHESTER COUNTY, PENNSYLVANIA
BERWYN

1000 Westlakes Drive..... 1989 60,696 96.2 1,423 0.30 24.37
1055 Westlakes Drive..... 1990 118,487 100.0 2,298 0.49 19.39
1205 Westlakes Drive..... 1988 130,265 99.8 2,840 0.60 21.85
1235 Westlakes Drive..... 1986 134,902 98.6 2,981 0.63 22.41

DELAWARE COUNTY, PENNSYLVANIA

LESTER

100 Stevens Drive.....	1986	95,000	100.0	926	0.20	9.75
200 Stevens Drive.....	1987	208,000	100.0	4,150	0.88	19.95
300 Stevens Drive.....	1992	68,000	82.5	1,167	0.25	20.80

MEDIA

1400 Providence Road - Center I..	1986	100,000	89.1	1,834	0.39	20.58
1400 Providence Road - Center II.	1990	160,000	91.0	3,124	0.66	21.46

MONTGOMERY COUNTY, PENNSYLVANIA

LOWER PROVIDENCE

1000 Madison Avenue.....	1990	100,700	100.0	1,723	0.36	17.11
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PLYMOUTH MEETING

1150 Plymouth Meeting Mall.....	1970	167,748	98.5	3,095	0.65	18.73
Five Sentry Parkway East.....	1984	91,600	100.0	1,498	0.32	16.35
Five Sentry Parkway West.....	1984	38,400	100.0	652	0.14	16.98

TOTAL PENNSYLVANIA OFFICE		1,473,798	97.0	27,711	5.87	19.38
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FAIRFIELD COUNTY, CONNECTICUT

GREENWICH

500 West Putnam.....	1973	121,250	96.9	2,672	0.56	22.74
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NORWALK

40 Richards Avenue.....	1985	145,487	95.5	2,856	0.60	20.56
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SHELTON

1000 Bridgeport Avenue.....	1986	133,000	87.3	2,418	0.51	20.83
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TOTAL CONNECTICUT OFFICE		399,737	93.2	7,946	1.67	21.33
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DISTRICT OF COLUMBIA

WASHINGTON

1201 Connecticut Avenue, NW (4)..	1940	169,549	86.1	4,553	0.96	31.19
1400 L Street, NW.....	1987	159,000	95.4	5,870	1.24	38.70
1709 New York Avenue, NW.....	1972	166,000	100.0	6,425	1.36	38.70

TOTAL DISTRICT OF COLUMBIA OFFICE		494,549	93.8	16,848	3.56	36.34
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</TABLE>

PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

<TABLE>
<CAPTION>

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 3/31/00 (%) (1)	ANNUAL BASE RENT (\$000'S) (2)	PERCENTAGE OF TOTAL OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT (%)	AVERAGE BASE RENT PER SQ. FT. (\$) (3) (5)
<S> PRINCE GEORGE'S COUNTY, MARYLAND LANHAM	<C>	<C>	<C>	<C>	<C>	<C>
4200 Parliament Place.....	1989	122,000	91.3	2,232	0.47	20.04

TOTAL MARYLAND OFFICE		122,000	91.3	2,232	0.47	20.04

BEXAR COUNTY, TEXAS						
SAN ANTONIO						

200 Concord Plaza Drive.....	1986	248,700	96.4	4,523	0.95	18.87
1777 N.E. Loop 410.....	1986	256,137	92.5	3,464	0.73	14.62
84 N.E. Loop 410.....	1971	187,312	89.2	2,459	0.52	14.72
111 Soledad.....	1918	248,153	92.4	2,313	0.49	10.09
COLLIN COUNTY, TEXAS						
PLANO						

555 Republic Place.....	1986	97,889	96.1	1,393	0.29	14.81
DALLAS COUNTY, TEXAS						
DALLAS						

3030 LBJ Freeway.....	1984	367,018	96.5	6,228	1.31	17.58
3100 Monticello.....	1984	173,837	92.5	2,788	0.59	17.34
8214 Westchester.....	1983	95,509	87.8	1,270	0.27	15.14
IRVING						

2300 Valley View.....	1985	142,634	78.5	2,427	0.51	21.68
RICHARDSON						

1122 Alma Road.....	1977	82,576	100.0	607	0.13	7.35
HARRIS COUNTY, TEXAS						
HOUSTON						

14511 Falling Creek.....	1982	70,999	96.3	825	0.17	12.07
5225 Katy Freeway.....	1983	112,213	97.6	1,330	0.28	12.14
5300 Memorial.....	1982	155,099	100.0	2,028	0.43	13.08
1717 St. James Place.....	1975	109,574	97.8	1,327	0.28	12.38
1770 St. James Place.....	1973	103,689	90.1	1,362	0.29	14.58
10497 Town & Country Way.....	1981	148,434	82.4	1,948	0.41	15.93
POTTER COUNTY, TEXAS						
AMARILLO						

6900 IH - 40 West (7).....	1986	71,771	77.2	556	0.12	10.03
TARRANT COUNTY, TEXAS						
EULESS						

150 West Parkway.....	1984	74,429	95.9	1,042	0.22	14.60
TRAVIS COUNTY, TEXAS						
AUSTIN						

1250 Capital of Texas Hwy. South.	1985	270,703	98.8	5,533	1.17	20.69

TOTAL TEXAS OFFICE		3,016,676	93.2	43,423	9.16	15.45

</TABLE>

PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

<TABLE>
<CAPTION>

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 3/31/00 (%) (1)		ANNUAL BASE RENT (\$000'S) (2)	PERCENTAGE OF TOTAL OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT (%)	AVERAGE BASE RENT PER SQ. FT. (\$ (3) (5)

<S>	<C>	<C>	<C>	<C>	<C>	<C>
MARICOPA COUNTY, ARIZONA						
GLENDALE						

5551 West Talavi Boulevard.....	1991	181,596	100.0	1,615	0.34	8.89
PHOENIX						

19640 North 31st Street.....	1990	124,171	100.0	1,235	0.26	9.95
20002 North 19th Avenue (6).....	1986	n/a	n/a	476	0.10	n/a
SCOTTSDALE						

9060 E. Via Linda Boulevard.....	1984	111,200	100.0	2,406	0.51	21.64

TOTAL ARIZONA OFFICE		416,967	100.0	5,732	1.21	13.75

ARAPAHOE COUNTY, COLORADO						
AURORA						

750 South Richfield Street.....	1997	108,240	100.0	2,911	0.61	26.89
DENVER						

400 South Colorado Boulevard.....	1983	125,415	99.4	1,974	0.42	15.83
ENGLEWOOD						

9359 East Nichols Avenue.....	1997	72,610	100.0	903	0.19	12.44
5350 South Roslyn Street.....	1982	63,754	96.2	1,065	0.22	17.36
BOULDER COUNTY, COLORADO						
BROOMFIELD						

105 South Technology Court.....	1997	37,574	100.0	537	0.11	14.29
303 South Technology Court-A.....	1997	34,454	100.0	388	0.08	11.27
303 South Technology Court-B.....	1997	40,416	100.0	456	0.10	11.28
LOUISVILLE						

1172 Century Drive.....	1996	49,566	100.0	623	0.13	12.57
248 Centennial Parkway.....	1996	39,266	100.0	490	0.10	12.47
285 Century Place.....	1997	69,145	100.0	1,119	0.24	16.18
DENVER COUNTY, COLORADO						
DENVER						

3600 South Yosemite.....	1974	133,743	100.0	1,288	0.27	9.63
DOUGLAS COUNTY, COLORADO						
ENGLEWOOD						

384 Inverness Drive South.....	1985	51,523	100.0	808	0.17	15.68
400 Inverness Drive.....	1997	111,608	99.9	2,734	0.58	24.52
67 Inverness Drive East.....	1996	54,280	100.0	653	0.14	12.03
5975 South Quebec Street.....	1996	102,877	99.8	2,362	0.50	23.01
PARKER						

9777 Pyramid Court.....	1995	120,281	100.0	1,323	0.28	11.00
EL PASO COUNTY, COLORADO						
COLORADO SPRINGS						

8415 Explorer.....	1998	47,368	100.0	528	0.11	11.15
1975 Research Parkway.....	1997	115,250	100.0	1,701	0.36	14.76
2375 Telstar Drive.....	1998	47,369	100.0	528	0.11	11.15

PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

<TABLE>
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PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 3/31/00 (%) (1)	ANNUAL BASE RENT (\$000'S) (2)	PERCENTAGE OF TOTAL OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT (%)	AVERAGE BASE RENT PER SQ. FT. (\$ (3) (5)
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BURLINGTON COUNTY, NEW JERSEY

BURLINGTON

3 Terri Lane.....	1991	64,500	77.7	425	0.09	8.48
5 Terri Lane.....	1992	74,555	62.2	464	0.10	10.01

MOORESTOWN

2 Commerce Drive (4).....	1986	49,000	100.0	362	0.08	7.40
101 Commerce Drive.....	1988	64,700	100.0	336	0.07	5.19
102 Commerce Drive (4).....	1987	38,400	87.5	176	0.04	5.23
201 Commerce Drive.....	1986	38,400	100.0	197	0.04	5.13
202 Commerce Drive (4).....	1988	51,200	100.0	269	0.06	5.26
1 Executive Drive.....	1989	20,570	91.2	85	0.02	4.53
2 Executive Drive (4).....	1988	60,800	100.0	458	0.10	5.23
101 Executive Drive.....	1990	29,355	45.8	134	0.03	9.97
102 Executive Drive.....	1990	64,000	90.0	414	0.09	7.19
225 Executive Drive.....	1990	50,600	100.0	314	0.07	6.21
97 Foster Road.....	1982	43,200	100.0	187	0.04	4.33
1507 Lancer Drive.....	1995	32,700	100.0	139	0.03	4.25
1510 Lancer Drive.....	1998	88,000	100.0	370	0.08	4.20
1256 North Church.....	1984	63,495	49.9	360	0.08	11.36
840 North Lenola.....	1995	38,300	100.0	271	0.06	7.08
844 North Lenola.....	1995	28,670	100.0	213	0.04	7.43
30 Twosome Drive.....	1997	39,675	100.0	223	0.05	5.62
40 Twosome Drive.....	1996	40,265	63.1	220	0.05	8.66
50 Twosome Drive.....	1997	34,075	100.0	269	0.06	7.89

WEST DEPTFORD

1451 Metropolitan Drive.....	1996	21,600	100.0	148	0.03	6.85
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MERCER COUNTY, NEW JERSEY

HAMILTON TOWNSHIP

100 Horizon Drive.....	1989	13,275	0.0	13	0.00	0.00
200 Horizon Drive.....	1991	45,770	85.3	446	0.09	11.42
300 Horizon Drive.....	1989	69,780	73.8	876	0.18	17.01
500 Horizon Drive.....	1990	41,205	51.7	356	0.08	16.71

MONMOUTH COUNTY, NEW JERSEY

WALL TOWNSHIP

1325 Campus Parkway.....	1988	35,000	18.4	253	0.05	39.29
1340 Campus Parkway.....	1992	72,502	94.6	786	0.17	11.46
1345 Campus Parkway.....	1995	76,300	100.0	705	0.15	9.24
1433 Highway 34.....	1985	69,020	65.3	451	0.10	10.01
1320 Wykoff Avenue.....	1986	20,336	0.0	20	0.00	0.00
1324 Wykoff Avenue.....	1987	21,168	100.0	192	0.04	9.07

PASSAIC COUNTY, NEW JERSEY

TOTOWA

1 Center Court.....	1999	38,961	100.0	143	0.03	9.71
2 Center Court.....	1998	30,600	99.3	350	0.07	11.52
11 Commerce Way.....	1989	47,025	100.0	441	0.09	9.38
20 Commerce Way.....	1992	42,540	100.0	392	0.08	9.21
29 Commerce Way.....	1990	48,930	100.0	475	0.10	9.71
40 Commerce Way.....	1987	50,576	100.0	561	0.12	11.09
45 Commerce Way.....	1992	51,207	100.0	481	0.10	9.39
60 Commerce Way.....	1988	50,333	84.3	317	0.07	7.47
80 Commerce Way.....	1996	22,500	93.3	266	0.06	12.67

</TABLE>

PROPERTY LISTING

OFFICE/FLEX PROPERTIES
(CONTINUED)

<TABLE>
<CAPTION>

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 3/31/00 (%) (1)	ANNUAL BASE RENT (\$000'S) (2)	PERCENTAGE OF TOTAL OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT (%)	AVERAGE BASE RENT PER SQ. FT. (\$) (3) (5)
100 Commerce Way.....	1996	24,600	96.2	301	0.06	12.72

120 Commerce Way.....	1994	9,024	100.0	91	0.02	10.08
140 Commerce Way.....	1994	26,881	99.5	273	0.06	10.21

TOTAL NEW JERSEY OFFICE/FLEX		1,943,593	85.2	14,223	3.03	8.59
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WESTCHESTER COUNTY, NEW YORK
ELMSFORD

11 Clearbrook Road.....	1974	31,800	100.0	331	0.07	10.41
75 Clearbrook Road.....	1990	32,720	100.0	816	0.17	24.94
150 Clearbrook Road.....	1975	74,900	100.0	1,048	0.22	13.99
175 Clearbrook Road.....	1973	98,900	98.5	1,435	0.30	14.73
200 Clearbrook Road.....	1974	94,000	99.8	1,170	0.25	12.47
250 Clearbrook Road.....	1973	155,000	94.5	1,228	0.26	8.38
50 Executive Boulevard.....	1969	45,200	97.2	384	0.08	8.74
77 Executive Boulevard.....	1977	13,000	100.0	167	0.04	12.85
85 Executive Boulevard.....	1968	31,000	96.5	392	0.08	13.10
300 Executive Boulevard.....	1970	60,000	99.7	577	0.12	9.65
350 Executive Boulevard.....	1970	15,400	98.8	243	0.05	15.97
399 Executive Boulevard.....	1962	80,000	100.0	958	0.20	11.98
400 Executive Boulevard.....	1970	42,200	100.0	627	0.13	14.86
500 Executive Boulevard.....	1970	41,600	100.0	571	0.12	13.73
525 Executive Boulevard.....	1972	61,700	99.8	840	0.18	13.64
1 Westchester Plaza.....	1967	25,000	100.0	294	0.06	11.76
2 Westchester Plaza.....	1968	25,000	100.0	439	0.09	17.56
3 Westchester Plaza.....	1969	93,500	98.5	1,106	0.23	12.01
4 Westchester Plaza.....	1969	44,700	99.8	626	0.13	14.03
5 Westchester Plaza.....	1969	20,000	100.0	284	0.06	14.20
6 Westchester Plaza.....	1968	20,000	100.0	285	0.06	14.25
7 Westchester Plaza.....	1972	46,200	100.0	649	0.14	14.05
8 Westchester Plaza.....	1971	67,200	100.0	860	0.18	12.80

HAWTHORNE

200 Saw Mill River Road.....	1965	51,100	100.0	638	0.13	12.49
4 Skyline Drive.....	1987	80,600	100.0	1,230	0.26	15.26
8 Skyline Drive.....	1985	50,000	98.9	741	0.16	14.98
10 Skyline Drive.....	1985	20,000	100.0	283	0.06	14.15
11 Skyline Drive.....	1989	45,000	100.0	679	0.14	15.09
12 Skyline Drive (4).....	1999	46,850	100.0	699	0.15	14.91
15 Skyline Drive.....	1989	55,000	100.0	860	0.18	15.64

YONKERS

100 Corporate Boulevard.....	1987	78,000	98.2	1,177	0.25	15.37
200 Corporate Boulevard South....	1990	84,000	99.8	1,392	0.29	16.60
4 Executive Plaza.....	1986	80,000	99.9	1,028	0.22	12.86
6 Executive Plaza.....	1987	80,000	88.6	987	0.21	12.34
1 Odell Plaza.....	1980	106,000	100.0	1,294	0.27	12.21
5 Odell Plaza.....	1983	38,400	99.6	497	0.10	12.99
7 Odell Plaza.....	1984	42,600	99.6	666	0.14	15.70

TOTAL NEW YORK OFFICE/FLEX		2,076,570	99.2	27,501	5.78	13.35
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</TABLE>

PROPERTY LISTING

OFFICE/FLEX PROPERTIES
(CONTINUED)

<TABLE>

<CAPTION>

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 3/31/00		ANNUAL BASE RENT (\$000'S) (2)	PERCENTAGE OF TOTAL OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT (%)	AVERAGE BASE RENT PER SQ. FT.		
			(%) (1)	(%) (1)			(\$)	(3)	(5)

<S>

<C>

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FAIRFIELD COUNTY, CONNECTICUT
STAMFORD

419 West Avenue.....	1986	88,000	99.7	1,430	0.30	16.30
----------------------	------	--------	------	-------	------	-------

500 West Avenue.....	1988	25,000	100.0	340	0.07	13.60
550 West Avenue.....	1990	54,000	100.0	816	0.17	15.11
600 West Avenue (4).....	1999	66,000	100.0	453	0.10	6.87
650 West Avenue.....	1998	40,000	100.0	633	0.13	15.83

TOTAL CONNECTICUT OFFICE/FLEX 273,000 99.9 3,672 0.77 13.47

TOTAL OFFICE/FLEX PROPERTIES..... 4,293,163 92.9 45,396 9.58 11.38
=====

</TABLE>

PROPERTY LISTING

INDUSTRIAL/WAREHOUSE PROPERTIES

<TABLE>
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PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 3/31/00 (%) (1)		ANNUAL BASE RENT (\$000'S) (2)	PERCENTAGE OF TOTAL OFFICE, OFFICE/FLEX, AND INDUSTRIAL/WAREHOUSE BASE RENT (%)	AVERAGE BASE RENT PER SQ. FT. (\$ (3) (5)

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
WESTCHESTER COUNTY, NEW YORK							
ELMSFORD							

1 Warehouse Lane.....	1957	6,600	100.0		57	0.01	8.64
2 Warehouse Lane.....	1957	10,900	100.0		113	0.02	10.37
3 Warehouse Lane.....	1957	77,200	100.0		290	0.06	3.76
4 Warehouse Lane.....	1957	195,500	97.4		1,921	0.41	10.09
5 Warehouse Lane.....	1957	75,100	97.1		708	0.15	9.71
6 Warehouse Lane.....	1982	22,100	100.0		513	0.11	23.21

TOTAL INDUSTRIAL/WAREHOUSE PROPERTIES		387,400	98.1		3,602	0.76	9.48

TOTAL OFFICE, OFFICE/FLEX, AND INDUSTRIAL/WAREHOUSE PROPERTIES 27,426,774 96.7 473,710 100.00 17.85
=====

</TABLE>

- (1) Based on all leases in effect as of March 31, 2000.
- (2) Total base rent for 12 months ended March 31, 2000, determined in accordance with generally accepted accounting principles ("GAAP"). Substantially all of the leases provide for annual base rents plus recoveries and escalation charges based upon the tenant's proportionate share of and/or increases in real estate taxes and certain operating costs, as defined, and the pass through of charges for electrical usage. For those properties acquired or placed in service during the 12 months ended March 31, 2000, amounts are annualized, as per Note 4.
- (3) Base rent for the 12 months ended March 31, 2000 divided by net rentable square feet leased at March 31, 2000. For those properties acquired or placed in service during 12 months ended March 31, 2000, amounts are annualized, as per Note 4.
- (4) As this property was acquired or placed in service during the 12 months ended March 31, 2000, the amounts represented for base rent are annualized. These annualized amounts may not be indicative of the property's results had the Company owned or placed such property in service for the entire 12 months ended March 31, 2000.
- (5) Excludes office space leased by the Company.
- (6) The property was sold by the Company in 1999.
- (7) The property was sold by the Company in April, 2000.

FUNDS FROM OPERATIONS

The Company considers funds from operations ("FFO"), after adjustment for straight-lining of rents, one measure of REIT performance. Funds from operations is defined as net income (loss) before minority interest of unitholders, computed in accordance with generally accepted accounting principles ("GAAP"), excluding gains (or losses) from debt restructuring, other extraordinary and significant non-recurring items, and sales of property, plus real estate-related depreciation and amortization. Funds from operations should not be considered as an alternative to net income as an indication of the Company's performance or to cash flows as a measure of liquidity. Funds from operations presented herein is not necessarily comparable to funds from operations presented by other real estate companies due to the fact that not all real estate companies use the same definition. However, the Company's funds from operations is comparable to the funds from operations of real estate companies that use the current definition of the National Association of Real Estate Investment Trusts ("NAREIT"), after the adjustment for straight-lining of rents.

NAREIT's definition of funds from operations indicates that the calculation should be made before any extraordinary item (determined in accordance with GAAP), and before any deduction of significant non-recurring events that materially distort the comparative measurement of the Company's performance.

Funds from operations for the three months ended March 31, 2000 and 1999 as calculated in accordance with NAREIT's definition as published in October 1999, after adjustment for straight-lining of rents, are summarized in the following table (IN THOUSANDS):

<TABLE>
<CAPTION>

	Three Months Ended March 31,	
	2000	1999
<S>	<C>	<C>
Income before non-recurring charges, gain on sale of rental property, distributions to preferred unitholders, minority interests and extraordinary item	\$ 47,681	\$ 40,813
Add: Real estate-related depreciation and amortization (1)	22,718	22,951
Deduct: Rental income adjustment for straight-lining of rents (2)	(2,190)	(3,545)
Minority interests: partially-owned properties	(2,090)	--
Funds from operations, after adjustment for straight-lining of rents, before distributions to preferred unitholders	\$ 66,119	\$ 60,219
Deduct: Distributions to preferred unitholders	(3,869)	(3,869)
Funds from operations, after adjustment for straight-lining of rents, after distributions to preferred unitholders	\$ 62,250	\$ 56,350
Cash flows provided by operating activities	\$ 39,038	\$ 59,654
Cash flows used in investing activities	\$(36,257)	\$(43,459)
Cash flows used in financing activities	\$ (5,278)	\$ (9,598)
Basic weighted average shares/units outstanding (3)	66,428	67,011
Diluted weighted average shares/units outstanding (3)	73,191	73,975

</TABLE>

- (1) Includes the Company's share from unconsolidated joint ventures of \$734 and \$1,101 for 2000 and 1999, respectively.
- (2) Includes the Company's share from unconsolidated joint ventures of \$57 and \$(18) for 2000 and 1999, respectively.
- (3) See calculations for the amounts presented in the following reconciliation.

The following schedule reconciles the Company's basic weighted average shares to the basic and diluted weighted average shares/units presented above:

<TABLE>
<CAPTION>

Three Months Ended March 31,
2000 1999

<S>	<C>	<C>
Basic weighted average shares:	58,295	58,162
Add: Weighted average common units	8,133	8,849

Basic weighted average shares/units:	66,428	67,011
Add: Weighted average preferred units	6,618	6,692
(after conversion to common units)		
Stock options	145	272

Diluted weighted average shares/units:	73,191	73,975
=====		
</TABLE>		

INFLATION

The Company's leases with the majority of its tenants provide for recoveries and escalation charges based upon the tenant's proportionate share of, and/or increases in, real estate taxes and certain operating costs, which reduce the Company's exposure to increases in operating costs resulting from inflation.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

The Company considers portions of this information to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of The Securities Exchange Act of 1934. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved.

54

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Approximately \$1.2 billion of the Company's long-term debt bears interest at fixed rates, and therefore the fair value of these instruments is affected by changes in the market interest rates. The following table presents principal cash flows (in thousands) based upon maturity dates of the debt obligations and the related weighted-average interest rates by expected maturity dates for the fixed rate debt. The interest rate on the variable rate debt as of March 31, 2000 ranged from LIBOR plus 65 basis points to LIBOR plus 90 basis points.

MARCH 31, 2000

<TABLE>								
<CAPTION>								
LONG-TERM								
DEBT, INCLUDING								
CURRENT PORTION	2000	2001	2002	2003	2004	THEREAFTER	TOTAL	FAIR
-----	----	----	----	----	----	-----	-----	VALUE

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Fixed Rate.....	\$7,847	\$ 7,468	\$ 3,458	\$195,611	\$312,195	\$713,512	\$1,240,091	\$1,181,360
Average Interest								
Rate.....	6.93%	7.44%	8.20%	7.30%	7.34%	7.19%	7.24%	
Variable Rate..		\$216,208				\$ 72,204	\$ 288,412	\$ 288,412
</TABLE>								

55

MACK-CALI REALTY CORPORATION

PART II - OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

Reference is made to "Other Contingencies" in Note 13 (Commitments and Contingencies) to the Consolidated Financial Statements, which is specifically incorporated by reference herein.

Item 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

Not Applicable.

Item 3. DEFAULTS UPON SENIOR SECURITIES

Not Applicable.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not Applicable.

Item 5. OTHER INFORMATION

Not Applicable.

56

MACK-CALI REALTY CORPORATION

PART II - OTHER INFORMATION (CONTINUED)

ITEM 6 - EXHIBITS

(a) Exhibits

The following exhibits are filed herewith or are incorporated by reference to exhibits previously filed:

EXHIBIT NUMBER - - - - -	EXHIBIT TITLE - - - - -
3.1	Restated Charter of Mack-Cali Realty Corporation dated June 2, 1999, together with Articles Supplementary thereto (filed as Exhibit 3.1 to the Company's Form 8-K dated June 10, 1999 and as Exhibit 4.2 to the Company's Form 8-K dated July 6, 1999 and each incorporated herein by reference).
3.2	Amended and Restated Bylaws of Mack-Cali Realty Corporation dated June 10, 1999 (filed as Exhibit 3.2 to the Company's Form 8-K dated June 10, 1999 and incorporated herein by reference).
3.3	Second Amended and Restated Agreement of Limited Partnership dated December 11, 1997, for Mack-Cali Realty, L.P. (filed as Exhibit 10.110 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).
3.4	Amendment No. 1 to the Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. (filed as Exhibit 3.1 to the Company's Registration Statement on Form S-3, Registration No. 333-57103, and incorporated herein by reference).
3.5	Second Amendment to the Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. (filed as Exhibit 10.2 to the Company's Form 8-K dated July 6, 1999 and incorporated herein by reference).
4.1	Amended and Restated Shareholder Rights Agreement, dated as of March 7, 2000, between Mack-Cali Realty Corporation and EquiServe Trust Company, N.A., as Rights Agent (filed as Exhibit 4.1 to the Company's Form 8-K dated March 7, 2000 and incorporated herein by reference).
4.2	Indenture dated as of March 16, 1999, by and among Mack-Cali Realty, L.P., as issuer, Mack-Cali Realty Corporation, as guarantor, and Wilmington Trust Company, as trustee (filed as Exhibit 4.1 to the Company's Form 8-K dated March 16, 1999 and incorporated herein by reference).
4.3	Supplemental Indenture No. 1 dated as of March 16, 1999, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated March 16, 1999 and incorporated herein by reference).
4.4	Supplemental Indenture No. 2 dated as of August 2, 1999, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.4 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.1	Amended and Restated Employment Agreement dated as of July 1, 1999 between Mitchell E. Hersh and Mack-Cali Realty Corporation (filed as Exhibit 10.2 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).

EXHIBIT NUMBER -----	EXHIBIT TITLE -----
10.2	Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Timothy M. Jones and Mack-Cali Realty Corporation (filed as Exhibit 10.3 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.3	Amended and Restated Employment Agreement dated as of July 1, 1999 between John R. Cali and Mack-Cali Realty Corporation (filed as Exhibit 10.4 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.4	Amended and Restated Employment Agreement dated as of July 1, 1999 between Brant Cali and Mack-Cali Realty Corporation (filed as Exhibit 10.5 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.5	Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Barry Lefkowitz and Mack-Cali Realty Corporation (filed as Exhibit 10.6 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.6	Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Roger W. Thomas and Mack-Cali Realty Corporation (filed as Exhibit 10.7 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.7	Restricted Share Award Agreement dated as of July 1, 1999 between Mitchell E. Herish and Mack-Cali Realty Corporation (filed as Exhibit 10.8 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.8	Restricted Share Award Agreement dated as of July 1, 1999 between Timothy M. Jones and Mack-Cali Realty Corporation (filed as Exhibit 10.9 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.9	Restricted Share Award Agreement dated as of July 1, 1999 between John R. Cali and Mack-Cali Realty Corporation (filed as Exhibit 10.10 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.10	Restricted Share Award Agreement dated as of July 1, 1999 between Brant Cali and Mack-Cali Realty Corporation (filed as Exhibit 10.11 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.11	Restricted Share Award Agreement dated as of July 1, 1999 between Barry Lefkowitz and Mack-Cali Realty Corporation (filed as Exhibit 10.12 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.12	Restricted Share Award Agreement dated as of July 1, 1999 between Roger W. Thomas and Mack-Cali Realty Corporation (filed as Exhibit 10.13 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.13	Credit Agreement, dated as of December 10, 1997, by and among Cali Realty, L.P. and the other signatories thereto (filed as Exhibit 10.122 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).
10.14	Amendment No. 1 to Revolving Credit Agreement dated July 20, 1998, by and among Mack-Cali Realty, L.P. and The Chase Manhattan Bank, Fleet National Bank and Other Lenders Which May Become Parties Thereto (filed as Exhibit 10.5 to the Company's Form 10-K dated December 31, 1998 and incorporated herein by reference).

EXHIBIT NUMBER -----	EXHIBIT TITLE -----
10.15	Amendment No. 2 to Revolving Credit Agreement dated December 30, 1998, by and among Mack-Cali Realty, L.P. and The Chase Manhattan Bank, Fleet National Bank and Other Lenders Which May Become Parties Thereto (filed as Exhibit 10.6 to the Company's Form 10-K dated December 31, 1998 and incorporated herein by reference).

- 10.16 Contribution and Exchange Agreement among The MK Contributors, The MK Entities, The Patriot Contributors, The Patriot Entities, Patriot American Management and Leasing Corp., Cali Realty, L.P. and Cali Realty Corporation, dated September 18, 1997 (filed as Exhibit 10.98 to the Company's Form 8-K dated September 19, 1997 and incorporated herein by reference).
- 10.17 First Amendment to Contribution and Exchange Agreement, dated as of December 11, 1997, by and among the Company and the Mack Group (filed as Exhibit 10.99 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).
- *10.18 Agreement of Sale and Purchase, dated as of January 31, 2000, by and between Grove Street Associates of Jersey City Limited Partnership and Cal-Grove Street Urban Renewal Associates L.P. and Commerzleasing und Immobilien GmbH and Germania of America, Inc.
- *27 Financial Data Schedule
- (b) Reports on Form 8-K

During the first quarter of 2000, the Company filed a report on Form 8-K dated March 7, 2000, reporting under Item 5 that the Company amended and restated its Shareholder Rights Agreement dated as of July 6, 1999, among the Company and ChaseMellon Shareholder Services, LLC ("Chase Mellon") to reflect, among other things, the replacement by the Company of ChaseMellon with EquiServe as the Rights Agent.

- -----
 *filed herewith

MACK-CALI REALTY CORPORATION

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MACK-CALI REALTY CORPORATION
 (Registrant)

Date: May 3, 2000

/s/Mitchell E. Hersh

 Mitchell E. Hersh
 Chief Executive Officer

Date: May 3, 2000

/s/Barry Lefkowitz

 Barry Lefkowitz
 Executive Vice President &
 Chief Financial Officer

AGREEMENT OF SALE AND PURCHASE

THIS AGREEMENT OF SALE AND PURCHASE ("AGREEMENT") made this 31st day of January, 2000 by and between GROVE STREET ASSOCIATES OF JERSEY CITY LIMITED PARTNERSHIP and CALI-GROVE STREET URBAN RENEWAL ASSOCIATES L.P., each a limited partnership organized under the laws of the State of New Jersey, both having an address c/o Mack-Cali Realty Corporation, 11 Commerce Drive, Cranford, New Jersey 07016 (collectively, "SELLER") and COMMERZLEASING UND IMMOBILIEN GmbH, ("CLI"), a corporation organized under the laws of the Federal Republic of Germany, having an address at Ludwig-Erhard-Allee-9, D-40227 Dusseldorf, Germany, and GERMANIA OF AMERICA, INC. ("GERMANIA"), a corporation organized under the laws of the State of Georgia, having an address at Tower Place, Suite 2995, 3340 Peachtree Road, N.E., Atlanta, Georgia 30325 (collectively, "PURCHASER").

In consideration of the mutual promises, covenants, and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1 DEFINITIONS. For purposes of this Agreement, the following capitalized terms have the meanings set forth in this Section 1.1:

"ASSIGNMENT" has the meaning ascribed to such term in Section 10.3(d), in the form attached hereto as EXHIBIT A.

"ASSIGNMENT OF LEASES" has the meaning ascribed to such term in Section 10.3(c), in the form attached hereto as EXHIBIT B.

"AUTHORITIES" means the various governmental and quasi-governmental bodies or agencies having jurisdiction over the Real Property and Improvements, or any portion thereof.

"BILL OF SALE" has the meaning ascribed to such term in Section 10.3(b), in the form attached hereto as EXHIBIT C.

"BROKERAGE COMMISSION AGREEMENTS" means the agreements set forth on EXHIBIT N.

"BROKERS" has the meaning ascribed to such term in Section 16.1.

"BUSINESS DAY" means any day other than a Saturday, Sunday or a day on which national banking associations are authorized or required to close.

"CERTIFICATE AS TO FOREIGN STATUS" has the meaning ascribed to such term in Section 10.3(g).

"CERTIFYING PERSON" has the meaning ascribed to such term in Section 4.3.

"CITY" means the City of Jersey City, a municipal corporation of the State of New Jersey.

"CITY CONSENT" has the meaning ascribed to such term in Section 7.1(f).

"CLOSING" means the consummation of the purchase and sale of the Property contemplated by this Agreement, as provided for in Article X.

"CLOSING DATE" means the earlier to occur of (i) March 15, 2000 or (ii) the date which is thirty (30) days following the date that Purchaser waives its right to terminate this Agreement pursuant to Section 5.3; PROVIDED, HOWEVER, that the Closing Date may also be extended by mutual written agreement of Seller and Purchaser. Notwithstanding anything to the contrary contained herein, (a) Seller shall have the right to extend the Scheduled Closing Date for up to sixty (60) days upon notice to Purchaser if as of such date, the City shall not have given the City Consent, Seller shall not have obtained the ISRA letter, Seller shall not have obtained the estoppel letters required from the Major Tenants as provided herein, title to the Real Property shall not be as provided for in Section 6.3(a), or any of the foregoing; and (b) Purchaser shall have the right to extend the Scheduled Closing Date for up to sixty (60) days upon notice to Seller if as of such date, the City shall not have given the City Consent, Seller shall not have obtained the estoppel letters required from the Major Tenants as provided herein, or both. If Purchaser extends the Scheduled Closing Date due to the fact that Seller did not obtain the estoppel letters from the Major Tenants, Purchaser may contact the Major Tenants, with Seller's

representatives present, in order to discuss the status of the estoppel letters.

"CLOSING STATEMENT" has the meaning ascribed to such term in Section 10.4(a).

"CLOSING SURVIVING OBLIGATIONS" means the rights, liabilities and obligations set forth in Sections 3.2, 5.4, 8.1(d) [to the extent set forth in Section 8.3], 8.2, 8.3, 10.4, 10.6, 11.1, 11.2, Article XIV, 16.1, 18.2, 18.8 and Article XXI, and any other provisions which pursuant to their terms survives the Closing hereunder.

"CODE" has the meaning ascribed to such term in Section 4.3.

"CONFIDENTIALITY AGREEMENT" means that certain Confidentiality Agreement annexed hereto as EXHIBIT M.

2

"DEED" has the meaning ascribed to such term in Section 10.3(a).

"DELINQUENT RENTAL" has the meaning ascribed to such term in Section 10.4(b).

"DOCUMENTS" has the meaning ascribed to such term in Section 5.2(a).

"EARNEST MONEY DEPOSIT" has the meaning ascribed to such term in Section 4.1.

"EFFECTIVE DATE" means the latest date on which this Agreement has been executed by Seller or Purchaser, as set forth opposite such party's signature and the Earnest Money Deposit shall have been received by the Escrow Agent.

"ENVIRONMENTAL LAWS" means each and every federal, state, county and municipal statute, ordinance, rule, regulation, code, order, requirement, directive, binding written interpretation and binding written policy pertaining to Hazardous Substances issued by any Authorities and in effect as of the date of this Agreement with respect to or which otherwise pertain to or affect the Real Property or the Improvements, or any portion thereof, the use, ownership, occupancy or operation of the Real Property or the Improvements, or any portion thereof, or Purchaser, and as same have been amended, modified or supplemented from time to time prior to the Effective Date, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9601 et seq.), the Hazardous Substances Transportation Act (49 U.S.C. Section 1802 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), as amended by the Hazardous and Solid Wastes Amendments of 1984, the Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. Section 300f et seq.), the Clean Water Act (33 U.S.C. Section 1321 et seq.), the Clean Air Act (42 U.S.C. Section 7401 et seq.), the Solid Waste Disposal Act (42 U.S.C. Section 6901 et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. Section 11001 et seq.), the Radon and Indoor Air Quality Research Act (42 U.S.C. Section 7401 note, et seq.), the National Environmental Policy Act (42 U.S.C. Section 4321 et seq.), the Superfund Amendment Reauthorization Act of 1986 (42 U.S.C. Section 9601 et seq.), the Occupational Safety and Health Act (29 U.S.C. Section 651 et seq.), the New Jersey Environmental Rights Act (N.J.S.A. 2A:35A-1 et seq.), the New Jersey Spill Compensation and Control Act (N.J.S.A. 58:10-23.11 et seq.), the New Jersey Air Pollution Control Act (N.J.S.A. 26:2C-1 et seq.), the Hazardous Substances Discharge: Reports and Notices Act (N.J.S.A. 13:1K-15 et seq.), the Industrial Site Recovery Act (N.J.S.A. 13:1K-6 et seq.), the New Jersey Underground Storage of Hazardous Substances Act (N.J.S.A. 58:10A-21 et seq.) (collectively, the "Environmental Statutes"), and any and all rules and regulations which have become effective prior to the date of this Agreement under any and all of the Environmental Statutes.

"ENVIRONMENTAL REPORT " means that certain Phase I Environmental Site Assessment prepared by Environmental Waste Management Associates and addressed Cali Associates, dated August 3, 1994, a copy of which has been provided to Purchaser.

3

"ESCROW AGENT" means Titleserv Agency of New York, Inc., as agent for Fidelity National Title Insurance Company of New York.

"EXISTING SURVEY" means Seller's existing survey of the Real Property dated September 12, 1989 prepared by Donald J. McCutcheon and last revised August 17, 1994.

"EVALUATION PERIOD" means the period commencing on the Effective Date and terminating on February 14, 2000.

"FINANCING AGREEMENT" has the meaning ascribed to such term in Section 7.1(f).

"GROUND LEASE" means that certain ground lease dated April 17, 1997 between Grove Street Associates of Jersey City Limited Partnership and Cali-Grove Street Urban Renewal Associates L.P.

"GOVERNMENTAL REGULATIONS" means all statutes, ordinances, rules and regulations of the Authorities applicable to Seller or the use or operation of the Real Property or the Improvements or any portion thereof.

"HAZARDOUS SUBSTANCES" means (a) asbestos, radon gas and urea formaldehyde foam insulation, (b) any solid, liquid, gaseous or thermal contaminant, including smoke vapor, soot, fumes, acids, alkalis, chemicals, petroleum products or byproducts, PCBs, phosphates, lead or other heavy metals and chlorine, (c) any solid or liquid waste (including, without limitation, hazardous waste), hazardous air pollutant, hazardous substance, hazardous chemical substance and mixture, toxic substance, pollutant, pollution, regulated substance and contaminant, as such terms are defined in any of the Environmental Statutes as such Environmental Statutes have been amended and/or supplemented from time to time prior to the date of this Agreement, and any and all rules and regulations promulgated under any of the above, and (d) any other chemical, material or substance, the use or presence of which, or exposure to the use or presence of which, is prohibited, limited or regulated by any Environmental Statutes.

"IMPROVEMENTS" means all buildings, structures, fixtures, parking areas and other improvements located on the Real Property.

"ISRA LETTER" has the meaning ascribed to such term in Section 19.1.

"KEY INDIVIDUALS" means Brant Cali, James Nugent, Barry Lefkowitz, Roger Thomas and Rob Vicci, in their corporate capacity as officers of Mack-Cali Realty Corporation, and not in any individual or other capacity whatsoever.

"LEASE SCHEDULE" has the meaning ascribed to such term in Section 5.2(a).

4

"LEASES" means all of the leases and other agreements with Tenants with respect to the use and occupancy of the Real Property, together with all renewals and modifications thereof, if any, and any new leases entered into after the Effective Date.

"LICENSEE PARTIES" has the meaning ascribed to such term in Section 5.1.

"LICENSES AND PERMITS" means, collectively, all of Seller's right, title and interest, to the extent assignable, in and to licenses, permits, certificates of occupancy, approvals, dedications, subdivision maps and entitlements now or hereafter issued, approved or granted by the Authorities in connection with the Real Property and the Improvements, together with all renewals and modifications thereof.

"MAJOR TENANTS" means DLJ Securities Corporation and NTT Data Communications Systems Corporation.

"NEW TENANT COSTS" has the meaning ascribed to such term in Section 10.4(e).

"NTT LEASE EXTENSION" has the meaning ascribed to such term in Section 7.1(e).

"OPERATING EXPENSES" has the meaning ascribed to such term in Section 10.4(c).

"PERMITTED EXCEPTIONS" has the meaning ascribed to such term in Section 6.2(a).

"PERMITTED OUTSIDE PARTIES" has the meaning ascribed to such term in Section 5.2(b).

"PERSONAL PROPERTY" means all of Seller's right, title and interest in and to all equipment, appliances, tools, supplies, machinery, artwork, furnishings and other tangible personal property attached to, appurtenant to, located in and used exclusively in connection with the ownership or operation of the Improvements and situated at the Property on the date hereof, subject to Seller's right to replace such personal property with personal property of comparable value and utility as it elects in the normal course of business.

"PROPERTY" has the meaning ascribed to such term in Section 2.1.

"PRORATION ITEMS" has the meaning ascribed to such term in Section

10.4(a).

"PURCHASE PRICE" has the meaning ascribed to such term in Section 3.1.

"PURCHASER'S INFORMATION" has the meaning ascribed to such term in Section 5.3(c).

"REAL PROPERTY" means that certain parcel or parcels of real property located at 95 Christopher Columbus Drive, Jersey City, New Jersey, as more particularly described

5

on the legal description attached hereto and made a part hereof as EXHIBIT D, together with all of Seller's right, title and interest, if any, in and to the appurtenances pertaining thereto, including but not limited to Seller's right, title and interest in and to the adjacent streets, alleys and right-of-ways, and any easement rights, air rights, subsurface development rights and water rights.

"RENTAL" has the meaning ascribed to such term in Section 10.4(b), and same are "Delinquent" in accordance with the meaning ascribed to such term in Section 10.4(b).

"ROCKWOOD" has the meaning ascribed to such term in Section 10.5(a).

"SCHEDULED CLOSING DATE" means March 15, 2000, or such earlier or later date to which both Purchaser and Seller may hereafter agree in writing.

"SECAUCUS LITIGATION" has the meaning ascribed to such term in Section 8.1 (d).

"SECURITY DEPOSITS" means all security deposits paid to Seller, as landlord (together with any interest which has accrued thereon, but only to the extent such interest has accrued for the account of the Tenant).

"SERVICE CONTRACTS" means all of Seller's right, title and interest, to the extent assignable, in all service agreements, maintenance contracts, equipment leasing agreements, warranties, guarantees, bonds, open purchase orders and other contracts for the provision of labor, services, materials or supplies relating solely to the Real Property, Improvements or Personal Property and which are currently in effect, including those listed and described on EXHIBIT E attached hereto, together with all renewals, supplements, amendments and modifications thereof, and any new such agreements entered into after the Effective Date, to the extent permitted by Section 7.1. Service Contracts shall not include Brokerage Commission Agreements.

"SIGNIFICANT PORTION" means, for purposes of the casualty provisions set forth in Article XI hereof, damage by fire or other casualty to the Real Property and the Improvements or a portion thereof, the cost of which to repair would exceed Five Million Dollars (\$5,000,000) in the aggregate.

"SURVEY OBJECTION" has the meaning ascribed to such term in Section 6.1.

"TENANTS" means the tenants or users who are parties to the Leases.

"TENANT NOTICE LETTERS" has the meaning ascribed to such term in Section 10.2(e), and are to be delivered by Purchaser to Tenants pursuant to Section 10.6.

"TERMINATION SURVIVING OBLIGATIONS" means the rights, liabilities and obligations set forth in Sections 5.2, 5.3, 12.1, Articles XIII and XIV, 16.1, 18.2 and 18.8,

6

and any other provisions which pursuant to their terms survive any termination of this Agreement.

"TITLE COMMITMENT" has the meaning ascribed to such term in Section 6.2.

"TITLE COMPANY" means Fidelity National Title Insurance Company of New York.

"TITLE OBJECTIONS" has the meaning ascribed to such term in Section 6.2.

"TITLE POLICY" has the meaning ascribed to such term in Section 6.2.

"TO SELLER'S KNOWLEDGE" means the actual (as opposed to constructive or imputed) knowledge of the Key Individuals, without any independent investigation or inquiry whatsoever.

"TRAMMELL" has the meaning ascribed to such term in Section 10.5(b).

"UPDATED SURVEY" has the meaning ascribed to such term in Section 6.1.

SECTION 1.2 REFERENCES: EXHIBITS AND SCHEDULES. Except as otherwise specifically indicated, all references in this Agreement to Articles or Sections refer to Articles or Sections of this Agreement, and all references to Exhibits or Schedules refer to Exhibits or Schedules attached hereto, all of which Exhibits and Schedules are incorporated into, and made a part of, this Agreement by reference. The words "herein," "hereof," "hereinafter" and words and phrases of similar import refer to this Agreement as a whole and not to any particular Section or Article.

ARTICLE II
AGREEMENT OF PURCHASE AND SALE

SECTION 2.1 AGREEMENT. Grove Street Associates of Jersey City Limited Partnership is the owner in fee of the Real Property. Cali-Grove Street Urban Renewal Associates L.P. is the holder of the leasehold interest under the Ground Lease. Seller hereby agrees to sell, convey and assign to Purchaser, and Purchaser hereby agrees to purchase and accept from Seller, on the Closing Date and subject to the terms and conditions of this Agreement, all of the following (collectively, the "PROPERTY"):

(a) the Real Property including both such fee and such leasehold interests;

(b) the Improvements;

(c) the Personal Property;

7

(d) all of Seller's right, title and interest as lessor in and to the Leases and, subject to the terms of the respective applicable Leases, the Security Deposits;

(e) all of Seller's right, title and interest in, to and under the Service Contracts and the Licenses and Permits; and

(f) all of Seller's right, title and interest, to the extent assignable or transferable, in and to all other intangible rights, titles, interests, privileges and appurtenances owned by Seller and related to or used exclusively in connection with the ownership, use or operation of the Real Property or the Improvements.

SECTION 2.2 INDIVISIBLE ECONOMIC PACKAGE. Purchaser has no right to purchase, and Seller has no obligation to sell, less than all of the Property, it being the express agreement and understanding of Purchaser and Seller that, as a material inducement to Seller and Purchaser to enter into this Agreement, Purchaser has agreed to purchase, and Seller has agreed to sell, all of the Property, subject to and in accordance with the terms and conditions hereof.

ARTICLE III
CONSIDERATION

SECTION 3.1 PURCHASE PRICE. The purchase price for the Property (the "PURCHASE PRICE") shall be One Hundred Fifty Five Million Dollars (\$155,000,000) in lawful currency of the United States of America, payable as provided in Section 3.3, and subject to adjustment as provided in Section 3.4. No portion of the Purchase Price shall be allocated to the Personal Property.

SECTION 3.2 ASSUMPTION OF OBLIGATIONS. As additional consideration for the purchase and sale of the Property, at Closing Purchaser will assume the Leases, Security Deposits, Service Contracts (to the extent not terminated as provided in Section 7.4(c)) and Licenses and Permits in accordance with the Assignment of Leases and the Assignment.

SECTION 3.3 METHOD OF PAYMENT OF PURCHASE PRICE. No later than 12:00 p.m. Eastern time on the Closing Date, Purchaser shall pay to Seller the Purchase Price (less the Earnest Money Deposit), together with all other costs and amounts to be paid by Purchaser at the Closing pursuant to the terms of this Agreement ("PURCHASER'S COSTS"), by Federal Reserve wire transfer of immediately available funds to the account of Escrow Agent. Escrow Agent, following authorization by the parties at Closing, shall (i) pay to Seller by Federal Reserve wire transfer of immediately available funds to an account designated by Seller, the Purchase Price, less any costs or other amounts to be paid by Seller at Closing pursuant to the terms of this Agreement, (ii) pay to the appropriate payees out of the proceeds of Closing payable to Seller all costs and amounts to be paid by Seller at Closing pursuant to the terms of this Agreement, and (iii) pay Purchaser's Costs to the appropriate payees at Closing pursuant to the terms of this Agreement.

8

SECTION 3.4 ADJUSTMENT OF PURCHASE PRICE/ADDITIONAL CONSIDERATION

(a) If, three (3) Business Days prior to the Closing Date, Seller has not obtained the NTT Lease Extension in accordance with the terms and conditions set forth in Section 7.4(a) hereof, then the Purchase Price shall be reduced by an amount equal to Two Million Five Hundred Thousand Dollars (\$2,500,000).

(b) If, during the first ninety (90) days after the Closing, Seller obtains the NTT Lease Extension in accordance with the terms and conditions set forth in Section 7.4(a) hereof, then Purchaser shall pay to Seller additional consideration in the amount of Two Million Five Hundred Thousand Dollars (\$2,500,000). If, during the one hundred and eighty (180) days after the expiration of said ninety (90) day period, Seller obtains the NTT Lease Extension, then the additional consideration due from Purchaser to Seller shall be Five Hundred Thousand Dollars (\$500,000).

(c) Any payment of additional consideration pursuant to Section 3.4(b) shall be made by Federal Reserve wire transfer of immediately available funds to an account designated by Seller, within five (5) Business Days of the date such amount becomes due. The provisions of this Section 3.4 shall survive the Closing.

ARTICLE IV
EARNEST MONEY DEPOSIT
AND ESCROW INSTRUCTIONS

SECTION 4.1 THE EARNEST MONEY DEPOSIT. Within two (2) Business Days following the execution and delivery of this Agreement by Purchaser, Purchaser shall deposit with the Escrow Agent, by Federal Reserve wire transfer of immediately available funds, the sum of Two Million Five Hundred Thousand Dollars (\$2,500,000) as the earnest money deposit on account of the Purchase Price (the "EARNEST MONEY DEPOSIT"). In the event that Purchaser shall fail to deliver to Escrow Agent the Earnest Money Deposit within the aforesaid two (2) Business Day period, then this Agreement shall automatically terminate and be void AB INITIO. TIME IS OF THE ESSENCE with respect to the deposit of the Earnest Money Deposit.

SECTION 4.2 ESCROW INSTRUCTIONS. The Earnest Money Deposit shall be held in escrow by the Escrow Agent in an interest-bearing account, in accordance with the provisions of Article XVII. In the event this Agreement is terminated by Purchaser prior to the expiration of the Evaluation Period or in the event Purchaser fails to advise Seller in writing that Purchaser is proceeding under this Agreement by notice to Seller given prior to the expiration of the Evaluation Period, the Earnest Money Deposit, together with all interest earned thereon, shall be refunded to Purchaser. In the event this Agreement is not terminated by Purchaser pursuant to the terms hereof by the end of the Evaluation Period in accordance with the provisions of Section 5.3(c) herein, the Earnest Money Deposit shall become non-refundable to Purchaser. Any interest earned on the Earnest

9

Money Deposit shall be paid to Purchaser promptly following the Closing Date or the earlier termination of this Agreement.

SECTION 4.3 DESIGNATION OF CERTIFYING PERSON. In order to assure compliance with the requirements of Section 6045 of the Internal Revenue Code of 1986, as amended (the "CODE"), and any related reporting requirements of the Code, the parties hereto agree as follows:

(a) Provided the Escrow Agent shall execute a statement in writing (in form and substance reasonably acceptable to the parties hereunder) pursuant to which it agrees to assume all responsibilities for information reporting required under Section 6045(e) of the Code, Seller and Purchaser shall designate the Escrow Agent as the person to be responsible for all information reporting under Section 6045(e) of the Code (the "CERTIFYING PERSON"). If the Escrow Agent refuses to execute a statement pursuant to which it agrees to be the Certifying Person, Seller and Purchaser shall agree to appoint another third party as the Certifying Person.

(b) Seller and Purchaser each hereby agree:

(i) to provide to the Certifying Person all information and certifications regarding such party, as reasonably requested by the Certifying Person or otherwise required to be provided by a party to the transaction described herein under Section 6045 of the Code; and

(ii) to provide to the Certifying Person such party's taxpayer identification number and a statement (on Internal Revenue Service Form W-9 or an acceptable substitute form, or on any other form the applicable current or future Code sections and regulations might require and/or any form requested by the Certifying Person), signed under penalties of perjury, stating that the taxpayer identification number supplied by such party to the Certifying Person is correct.

ARTICLE V
INSPECTION OF PROPERTY

SECTION 5.1 EVALUATION PERIOD. For the period ending at 5:00 p.m. Eastern time on February 14, 2000 (the "EVALUATION PERIOD"), Purchaser and its authorized agents and representatives (for purposes of this Article V, the "LICENSEE PARTIES") shall have the right, subject to the right of any Tenants, to enter upon the Property at all reasonable times during normal business hours to perform an inspection of the Property. Purchaser will provide to Seller notice (for purposes of this Section 5.1(a), an "ENTRY NOTICE") of the intention of Purchaser or the other Licensee Parties to enter the Property at least 24 hours prior to such intended entry and specify the intended purpose therefor and the inspections and examinations contemplated to be made and with whom any Licensee Party will communicate. At Seller's option, Seller may be present for any such entry and

10

inspection. Purchaser shall not communicate with or contact any of the Tenants without the prior written consent of Seller, unless a representative of Seller is present. If Purchaser elects to meet with any of the Authorities regarding the condition of the Property or to obtain the City Consent, it shall give Seller prior notice thereof, and Seller and Seller's representatives shall have the right, but not the obligation, to attend, and participate in, all such meetings. Notwithstanding anything to the contrary contained herein, no physical testing or sampling shall be conducted during any such entry by Purchaser or any Licensee Party upon the Property without Seller's specific prior written consent, which consent shall not be unreasonably withheld or delayed. TIME IS OF THE ESSENCE with respect to the provisions of this Section 5.1.

SECTION 5.2 DOCUMENT REVIEW.

(a) During the Evaluation Period, Purchaser and the Licensee Parties shall have the right to review and inspect, at Purchaser's sole cost and expense, all of the following which are in Seller's possession or control (collectively, the "DOCUMENTS"): all existing environmental, engineering or consulting reports and studies of the Property (which Purchaser shall have the right to have updated at Purchaser's sole cost and expense), architectural, mechanical and structural plans, specifications or drawings related to the property, real estate tax bills, together with assessments (special or otherwise), ad valorem and personal property tax bills, covering the period of Seller's ownership of the Property; its most current lease schedule in the form attached hereto as EXHIBIT F (the "LEASE SCHEDULE"); current operating statements; the Leases, lease files, Service Contracts, and Licenses and Permits. To the extent Seller has not, prior to the date hereof, delivered copies of the Documents to Purchaser or the Licensee Parties, Seller shall do so unless it shall be impractical or unreasonably prohibitive to do so. To the extent Seller does not possess a set of any architectural, mechanical and structural plans, specifications or drawings relating to the Property which are in the possession of a third party, Seller shall reasonably cooperate with Purchaser in obtaining such plans from the third party, if requested by Purchaser. Inspections of any Documents for which Seller has not provided Purchaser and the Licensee Parties a copy shall occur at a location selected by Seller, which may be at the office of Seller, Seller's counsel, Seller's property manager, at the Real Property or any of them. Purchaser shall not have the right to review or inspect materials not directly related to the leasing, maintenance and/or management of the Property, including, without limitation, all of Seller's internal memoranda, financial projections, budgets, appraisals, proposals for work not actually undertaken, accounting and income tax records and similar proprietary, elective or confidential information.

(b) Purchaser acknowledges that any and all of the Documents may be proprietary and confidential in nature and have been provided to Purchaser solely to assist Purchaser in determining the desirability of purchasing the Property. Subject only to the provisions of Article XII, Purchaser agrees not to disclose the contents of the Documents or any of the provisions, terms or conditions contained therein, to any party outside of Purchaser's organization other than its attorneys, partners, accountants, lenders or

11

investors (collectively, for purposes of this Section 5.2(b), the "PERMITTED OUTSIDE PARTIES"). Purchaser further agrees that within its organization, or as to the Permitted Outside Parties, the Documents will be disclosed and exhibited only to those persons within Purchaser's organization or to those Permitted Outside Parties who are responsible for determining the desirability of Purchaser's acquisition of the Property. Purchaser further acknowledges that the Documents and other information relating to the leasing arrangements between Seller and Tenants are proprietary and confidential in nature. Purchaser agrees not to divulge the contents of such Documents and other information except in strict accordance with the confidentiality standards set forth in this Section 5.2 and Article XII. In permitting Purchaser and the Permitted Outside Parties

to review the Documents and other information to assist Purchaser, Seller has not waived any privilege or claim of confidentiality with respect thereto, and no third party benefits or relationships of any kind, either express or implied, have been offered, intended or created by Seller, and any such claims are expressly rejected by Seller and waived by Purchaser and the Permitted Outside Parties.

(c) Purchaser acknowledges that some of the Documents may have been prepared by third parties and may have been prepared prior to Seller's ownership of the Property. PURCHASER HEREBY ACKNOWLEDGES THAT EXCEPT AS SET FORTH IN SECTION 8.1, SELLER HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION OR WARRANTY REGARDING THE TRUTH, ACCURACY OR COMPLETENESS OF THE DOCUMENTS OR THE SOURCES THEREOF OR THAT SELLER HAS DELIVERED ALL OF THE DOCUMENTS. EXCEPT AS SET FORTH IN SECTION 8.1, SELLER HAS NOT UNDERTAKEN ANY INDEPENDENT INVESTIGATION AS TO THE TRUTH, ACCURACY OR COMPLETENESS OF THE DOCUMENTS AND IS PROVIDING THE DOCUMENTS SOLELY AS AN ACCOMMODATION TO PURCHASER.

SECTION 5.3 ENTRY AND INSPECTION OBLIGATIONS; TERMINATION OF AGREEMENT.

(a) Purchaser agrees that in entering upon and inspecting or examining the Property, Purchaser and the other Licensee Parties will not: disturb the Tenants or interfere with the use of the Property pursuant to the Leases; interfere with the operation and maintenance of the Real Property or Improvements; damage any part of the Property or any personal property owned or held by Tenants or any other person or entity; injure or otherwise cause bodily harm to Seller or any Tenant, or to any of their respective agents, guests, invitees, contractors and employees, or to any other person or entity; permit any liens to attach to the Real Property by reason of the exercise of Purchaser's rights under this Article V; and reveal or disclose any information obtained concerning the Property and the Documents to anyone outside Purchaser's organization, except in accordance with the confidentiality standards set forth in Section 5.2(b) and Article XII. Purchaser will: (i) cause all of Purchaser's consultants which are to perform physical inspections and/or testing on the Real Property or Improvements to maintain comprehensive general liability (occurrence) insurance, and in the event of invasive testing, contractor's pollution liability insurance, in amounts which reasonably prudent consultants in their field

12

customarily maintain insuring Seller, Purchaser and such other parties as Seller shall reasonably request, covering any accident or event arising in connection with the presence of Purchaser or the other Licensee Parties on the Real Property or Improvements, and deliver evidence of insurance verifying such coverage to Seller prior to entry upon the Real Property or Improvements; (ii) promptly pay when due the costs of all entry and inspections and examinations done with regard to the Property by or on behalf of Purchaser or the Licensee Parties; (iii) cause any inspection to be conducted in accordance with standards customarily employed in the industry and in compliance with all Governmental Regulations; (iv) at Seller's written request, furnish to Seller copies of any studies, reports or test results received by Purchaser regarding the Property, promptly after such receipt, in connection with such inspection; and (v) restore the Real Property and Improvements to the condition in which the same were found before any such entry upon the Real Property and inspection or examination was undertaken.

(b) Purchaser hereby indemnifies, defends and holds Seller and its partners, agents, directors, officers, employees, successors and assigns harmless from and against any and all liens, claims, causes of action, damages, liabilities, demands, suits, obligations to third parties, together with all losses, penalties, costs and expenses relating to any of the foregoing (including but not limited to court costs and reasonable attorneys' fees) arising out of any inspections, investigations, examinations, sampling or tests conducted by Purchaser or any of the Licensee Parties, whether prior to or after the date hereof, with respect to the Property or any violation of the provisions of this Article V.

(c) In the event that Purchaser determines in its sole and absolute discretion, after its inspection of the Documents and Real Property and Improvements, that for any reason, or for no reason, Purchaser does not elect to purchase the Property Purchaser shall have the right to terminate this Agreement by providing written notice to Seller prior to the expiration of the Evaluation Period, WITH TIME BEING OF THE ESSENCE WITH RESPECT THERETO. In the event Purchaser terminates this Agreement in accordance with this Section 5.3(c), or under any other right of termination as set forth herein, Purchaser shall have the right to receive a refund of the Earnest Money Deposit, together with all interest which has accrued thereon, and except with respect to the Termination Surviving Obligations, this Agreement shall be null and void and the parties shall have no further obligation to each other. In the event this Agreement is terminated pursuant to this Section 5.3(c), Purchaser shall return to Seller all copies Purchaser has made of the Documents and all copies of any studies, reports or test results regarding any part of the Property obtained by Purchaser, before or after the execution of this Agreement, in connection with Purchaser's inspection of the Property (collectively, "PURCHASER'S INFORMATION")

promptly following the time this Agreement is terminated for any reason unless Purchaser reasonably believes that it is prudent to retain one (1) copy of each such document to establish any facts which might be the subject of a post-termination dispute. If Purchaser so elects to retain one (1) such copy, it shall so advise Seller, and Purchaser shall be responsible for maintaining the confidentiality of such copy pursuant to the terms of this Agreement and the Confidentiality Agreement.

13

SECTION 5.4 SALE "AS IS". THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT HAS BEEN NEGOTIATED BETWEEN SELLER AND PURCHASER. THIS AGREEMENT REFLECTS THE MUTUAL AGREEMENT OF SELLER AND PURCHASER, AND PURCHASER HAS THE RIGHT TO CONDUCT ITS OWN INDEPENDENT EXAMINATION OF THE PROPERTY. OTHER THAN THE MATTERS REPRESENTED IN SECTIONS 8.1 AND 8.3 HEREOF, BY WHICH ALL OF THE FOLLOWING PROVISIONS OF THIS SECTION 5.4 ARE LIMITED, PURCHASER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION, WARRANTY, COVENANT OR AGREEMENT OF SELLER OR ANY OF SELLER'S AGENTS OR REPRESENTATIVES, AND PURCHASER HEREBY ACKNOWLEDGES THAT NO SUCH REPRESENTATIONS HAVE BEEN MADE.

SELLER SPECIFICALLY DISCLAIMS, AND NEITHER IT NOR ANY OF ITS AFFILIATES NOR ANY OTHER PERSON IS MAKING, ANY REPRESENTATION, WARRANTY OR ASSURANCE WHATSOEVER TO PURCHASER, AND NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EITHER EXPRESS OR IMPLIED, ARE MADE BY SELLER OR RELIED UPON BY PURCHASER WITH RESPECT TO THE STATUS OF TITLE TO OR THE MAINTENANCE, REPAIR, CONDITION, DESIGN OR MARKETABILITY OF THE PROPERTY, OR ANY PORTION THEREOF, INCLUDING BUT NOT LIMITED TO (a) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (b) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (c) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, (d) ANY RIGHTS OF PURCHASER UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION, (e) ANY CLAIM BY PURCHASER FOR DAMAGES BECAUSE OF DEFECTS, WHETHER KNOWN OR UNKNOWN, WITH RESPECT TO THE IMPROVEMENTS OR THE PERSONAL PROPERTY, (f) THE FINANCIAL CONDITION OR PROSPECTS OF THE PROPERTY AND (g) THE COMPLIANCE OR LACK THEREOF OF THE REAL PROPERTY OR THE IMPROVEMENTS WITH GOVERNMENTAL REGULATIONS, IT BEING THE EXPRESS INTENTION OF SELLER AND PURCHASER THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE PROPERTY WILL BE CONVEYED AND TRANSFERRED TO PURCHASER IN ITS PRESENT CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS", WITH ALL FAULTS. PURCHASER REPRESENTS THAT IT IS A KNOWLEDGEABLE, EXPERIENCED AND SOPHISTICATED PURCHASER OF REAL ESTATE, AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF PURCHASER'S CONSULTANTS IN PURCHASING THE PROPERTY. PURCHASER HAS BEEN GIVEN A SUFFICIENT OPPORTUNITY HEREIN TO CONDUCT AND HAS CONDUCTED OR WILL CONDUCT SUCH INSPECTIONS, INVESTIGATIONS AND OTHER INDEPENDENT

14

EXAMINATIONS OF THE PROPERTY AND RELATED MATTERS AS PURCHASER DEEMED NECESSARY, INCLUDING BUT NOT LIMITED TO THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AND WILL RELY UPON SAME AND NOT UPON ANY STATEMENTS OF SELLER (EXCLUDING THE LIMITED MATTERS REPRESENTED BY SELLER IN SECTION 8.1 HEREOF) NOR OF ANY OFFICER, DIRECTOR, EMPLOYEE, AGENT OR ATTORNEY OF SELLER. PURCHASER ACKNOWLEDGES THAT ALL INFORMATION OBTAINED BY PURCHASER WAS OBTAINED FROM A VARIETY OF SOURCES, AND SELLER WILL NOT BE DEEMED TO HAVE REPRESENTED OR WARRANTED THE COMPLETENESS, TRUTH OR ACCURACY OF ANY OF THE DOCUMENTS OR OTHER SUCH INFORMATION HERETOFORE OR HEREAFTER FURNISHED TO PURCHASER. UPON CLOSING, PURCHASER WILL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY PURCHASER'S INSPECTIONS AND INVESTIGATIONS. PURCHASER ACKNOWLEDGES AND AGREES THAT UPON CLOSING, SELLER WILL SELL AND CONVEY TO PURCHASER, AND PURCHASER WILL ACCEPT THE PROPERTY, "AS IS, WHERE IS," WITH ALL FAULTS. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT THERE ARE NO ORAL AGREEMENTS, WARRANTIES OR REPRESENTATIONS, COLLATERAL TO OR AFFECTING THE PROPERTY, BY SELLER OR ANY AGENT OF SELLER, OR BY ANY THIRD PARTY ON BEHALF OF SELLER. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY ORAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON, UNLESS THE SAME ARE SPECIFICALLY SET FORTH OR REFERRED TO HEREIN. PURCHASER ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS THE "AS IS, WHERE IS" NATURE OF THIS SALE AND ANY FAULTS, LIABILITIES, DEFECTS OR OTHER ADVERSE MATTERS THAT MAY BE ASSOCIATED WITH THE PROPERTY. PURCHASER, WITH PURCHASER'S COUNSEL, HAS FULLY REVIEWED THE DISCLAIMERS AND WAIVERS SET FORTH IN THIS AGREEMENT AND UNDERSTANDS THEIR SIGNIFICANCE AND AGREES THAT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH HEREIN ARE AN INTEGRAL PART OF THIS AGREEMENT, AND THAT SELLER WOULD NOT HAVE AGREED TO SELL THE PROPERTY TO PURCHASER FOR THE PURCHASE PRICE WITHOUT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH IN THIS AGREEMENT. THE TERMS AND CONDITIONS OF THIS SECTION 5.4 WILL EXPRESSLY SURVIVE THE CLOSING, WILL NOT MERGE WITH THE PROVISIONS OF ANY CLOSING DOCUMENTS AND ARE HEREBY DEEMED INCORPORATED INTO THE DEED AS FULLY AS IF SET FORTH AT LENGTH THEREIN.

15

SUBJECT TO THE PROVISIONS OF SECTIONS 8.1 AND 8.3 HEREOF, PURCHASER

FURTHER COVENANTS AND AGREES NOT TO SUE SELLER, AND RELEASES SELLER OF AND FROM AND WAIVES ANY CLAIM OR CAUSE OF ACTION THAT PURCHASER MAY HAVE AGAINST THE SELLER UNDER ANY ENVIRONMENTAL LAW, NOW EXISTING OR HEREAFTER ENACTED OR PROMULGATED, RELATING TO ENVIRONMENTAL MATTERS OR ENVIRONMENTAL CONDITIONS IN, ON, UNDER, ABOUT OR MIGRATING FROM OR ONTO THE PROPERTY, INCLUDING WITHOUT LIMITATION, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT, OR BY VIRTUE OF ANY COMMON LAW RIGHT RELATED TO ENVIRONMENTAL CONDITIONS OR ENVIRONMENTAL MATTERS IN, ON, UNDER, ABOUT OR MIGRATING FROM OR ONTO THE PREMISES. THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE THE CLOSING OF TITLE TO THE PROPERTY OR THE TERMINATION OF THIS AGREEMENT, AS THE CASE MAY BE.

ARTICLE VI
TITLE AND SURVEY MATTERS

SECTION 6.1 SURVEY. Purchaser acknowledges receipt of the Existing Survey, and that Purchaser has reviewed and accepted all of the matters shown on the Existing Survey. Any modification, update or recertification of the Existing Survey shall be at Purchaser's election and sole cost and expense. The Existing Survey together with any update Purchaser has elected to obtain, if any, is herein referred to as the "UPDATED SURVEY". Purchaser agrees to provide Seller with notice of any objection to the matters shown on the Existing Survey within seven (7) Business Days following the Effective Date (the "SURVEY OBJECTIONS"). In the event that the Updated Survey sets forth any survey matters which are objectionable to Purchaser and which were not shown on the Existing Survey, then Purchaser agrees to provide Seller with notice of such objections within seven (7) Business Days of the receipt of the Updated Survey, and such objections shall also be deemed to be Survey Objections. Purchaser agrees to cause the party preparing the Updated Survey to provide two (2) copies of same to Seller's counsel simultaneous with the delivery of the Updated Survey to Purchaser.

SECTION 6.2 TITLE COMMITMENT.

(a) Purchaser acknowledges receipt of that certain title insurance commitment issued by First American Title Insurance Company of New York under Commitment No. 135-NJ-29480-1 together with copies of the title exceptions listed thereon, that Purchaser has reviewed and accepted all matters shown therein, other than the requirements set forth at Schedule B-Section I h. and n. therein, and the items set forth at Schedule B-Section II items 1-7 and 9 therein, and that such matters constitute Permitted Exceptions. By the date (the "NEW OBJECTION DATE") which is five (5)

16

Business Days after Purchaser's counsel receives a new title commitment from the Title Company (the "TITLE COMMITMENT"), Purchaser shall provide Seller with written notice of any objections raised in such Title Commitment which are not Permitted Exceptions and which Purchaser deems unacceptable ("TITLE OBJECTIONS"). If Purchaser's counsel receives notice of any new objection or exception with less than five (5) Business Days prior to the Scheduled Closing Date, then (x) the Closing shall be postponed for a sufficient number of days in order for Purchaser's counsel to have five (5) Business Days to review said new objection or exception and to advise Seller if Purchaser deems same unacceptable and (y) the balance of this Agreement shall apply with respect to Seller's right to cure same. In the event Seller does not receive the Title Objections by the New Objection Date, Purchaser will be deemed to have accepted as Permitted Exceptions the exceptions to title set forth on the Title Commitment and any updates thereto. Purchaser shall cause the Title Company to furnish to Purchaser and Seller's counsel a preliminary title report or Title Commitment, by the terms of which the Title Company agrees to issue to Purchaser at Closing, at Purchaser's sole cost and expense an owner's policy of title insurance (the "TITLE POLICY") in the amount of the Purchase Price on the then standard ALTA owner's form insuring Purchaser's fee simple title to the Real Property, subject to the terms of such policy and the exceptions described therein (including, without limitation, the standard or general exceptions). Subject to this Section 6.2(a), all matters shown on the Existing Survey and the exceptions shown on EXHIBIT G (collectively, the "PERMITTED EXCEPTIONS") are conclusively deemed to be acceptable to Purchaser.

(b) All taxes, water rates or charges, sewer rents and assessments, plus interest and penalties thereon, which on the Closing Date are liens against the Real Property and which Seller is obligated to pay and discharge will be credited against the Purchase Price (subject to the provision for apportionment of taxes, water rates and sewer rents herein contained) and shall not be deemed a Title Objection. If on the Closing Date there shall be security interests filed against the Real Property, such items shall not be Title Objections if (i) the personal property covered by such security interests are no longer in or on the Real Property, or (ii) such personal property is the property of a Tenant, or the security interest has expired under applicable law. If the personal property is no longer in or on the Real Property or is the property of a Tenant, Seller shall execute and deliver an affidavit to such effect, which affidavit shall include an indemnification in favor of Purchaser and the Title Company against any loss, cost or expense related thereto if Seller's affidavit is incorrect.

(c) If on the Closing Date the Real Property shall be affected by any lien which, pursuant to the provisions of this Agreement, is required to be discharged or satisfied by Seller, Seller shall not be required to discharge or satisfy the same of record provided the money necessary to satisfy the lien is retained by the Title Company at Closing, and the Title Company omits the lien as an exception from the title insurance commitment, and a credit is given to Purchaser for the recording charges for a satisfaction or discharge of such lien.

17

(d) No franchise, transfer, inheritance, income, corporate or other tax open, levied or imposed against Seller or any former owner of the Property, that may be a lien against the Property on the Closing Date, shall be an objection to title if the Title Company omits the lien as an exception from the title insurance commitment and provided further that Seller deposits with the Title Company a sum reasonably sufficient to secure a release of the Property from the lien thereof. If a search of title discloses judgments, bankruptcies, or other returns against other persons having names similar to that of Seller, Seller will deliver to Purchaser an affidavit stating that such judgments, bankruptcies or other returns do not apply to Seller, and such search results shall not be deemed Title Objections.

(e) In the event that the Title Company is not prepared to insure title to the Real Property in the manner provided in this Agreement and Seller is able to obtain a commitment from one or more of First American Title Insurance Company of New York, Chicago Title Insurance Company, Commonwealth Land Title Insurance Company or Lawyer's Title Insurance Company to insure title in the manner required in this Agreement, Seller shall be entitled to cause any one or more of such companies to so insure Purchaser's title.

SECTION 6.3 TITLE DEFECT.

(a) In the event Seller receives any Survey Objection or Title Objection (collectively and individually, a "TITLE DEFECT") within the time periods required under Sections 6.1 and 6.2 above, Seller may elect (but shall not be obligated) to attempt to remove, or cause to be removed at its expense, any such Title Defect, and shall provide Purchaser with notice, within seven (7) days of its receipt of any such objection, of its intention to cure such any such Title Defect. If Seller elects to attempt to cure any Title Defect, it shall do so in a prompt and diligent manner, and the Closing Date shall be extended for one or more periods not to exceed in the aggregate sixty (60) days, for the purpose of such removal. In the event that (i) Seller elects not to attempt to cure any such Title Defect, or (ii) Seller is unable to cure any such Title Defect for any period elected by Seller but not to exceed sixty (60) days from the Closing Date, Seller shall so advise Purchaser and Purchaser shall have the right to terminate this Agreement and receive a refund of the Earnest Money Deposit, together with all interest which has accrued thereon, or to waive such Title Defect and proceed to the Closing. Purchaser shall make such election within ten (10) days of receipt of Seller's notice. If Purchaser elects to proceed to the Closing, any Title Defects waived by Purchaser shall be deemed Permitted Exceptions. In addition to the remedies provided in this Section 6.3(a), if a Title Defect is caused by a written document executed by Seller in recordable form at any time on or after the effective date of the Title Commitment, which document has not been approved or deemed approved by Purchaser, then Seller shall also reimburse Purchaser for its title, survey, consultants and attorneys' fees and expenses reasonably incurred by Purchaser hereunder, as documented by Purchaser.

18

(b) Notwithstanding any provision of this Article VI to the contrary, Seller will be obligated to cure exceptions to title to the Property, in the manner described above, relating to liens and security interests securing any financings to Seller, and any mechanic's liens resulting from work at the Property commissioned by Seller, and any other encumbrances placed of record by Seller on or after the Effective Date which may be satisfied by the payment of a sum certain.

ARTICLE VII INTERIM OPERATING COVENANTS, ESTOPPELS, BOARD APPROVAL

SECTION 7.1 INTERIM OPERATING COVENANTS. Seller covenants to Purchaser that Seller will:

(a) OPERATIONS. From the Effective Date until Closing, continue to operate, manage and maintain the Improvements in the ordinary course of Seller's business and substantially in accordance with Seller's present practice, subject to ordinary wear and tear and further subject to Article XI of this Agreement.

(b) COMPLIANCE WITH GOVERNMENTAL REGULATIONS. From the Effective

Date until Closing, not take any action that would result in a failure to comply in all material respects with all Governmental Regulations applicable to the Property, it being understood and agreed that prior to Closing, Seller will have the right to contest any such Governmental Regulations.

(c) SERVICE CONTRACTS. From the expiration of the Evaluation Period until Closing, not enter into any service contract other than in the ordinary course of business, unless such service contract is terminable on thirty (30) days notice without penalty or unless Purchaser consents thereto in writing, which approval will not be unreasonably withheld, delayed or conditioned.

(d) NOTICES. To the extent received by Seller, from the Effective Date until Closing, promptly deliver to Purchaser copies of written default notices, notices of lawsuits and notices of violations affecting the Property.

(e) NTT LEASE EXTENSION. Attempt to obtain an extension (the "NTT LEASE EXTENSION") with NTT Data Communications Systems Corporation ("NTT") of the current lease with NTT at the Property, providing for NTT to extend such lease for a period of ten (10) years commencing October 1, 2005 and expiring September 30, 2015, on the terms and conditions set forth on EXHIBIT K and such other terms and conditions reasonably acceptable to Purchaser. Each party's agreement with respect to obtaining the NTT Lease Extension is more particularly set forth in Section 7.4(a) below.

(f) FINANCING AGREEMENT. Cooperate with Purchaser in preparing and prosecuting all necessary applications to be submitted to the City in order to obtain

19

the consent of the City to the assignment and assumption of that certain Amendment and Assignment of Financial Agreement (the "FINANCING AGREEMENT") dated April 17, 1999 between Cali-Grove Street Urban Renewal Associates L.P. and the City, to an affiliate of Purchaser which satisfies the requirements of applicable law to be an assignee of the Financing Agreement, and to an assignment or change in the ownership of the Project (as such term is defined in the Financing Agreement) [collectively, the "CITY CONSENT"]. Such cooperation shall include, at Purchaser's election, having a primary role in seeking to obtain the City Consent.

SECTION 7.2 ESTOPPELS. It will be a condition to Closing that Seller obtain from each Major Tenant an executed estoppel certificate in the form prescribed by the Lease for each such Major Tenant. Notwithstanding the foregoing, Seller agrees that promptly following Purchaser's waiver of its right to terminate this Agreement pursuant to Section 5.3, Seller shall request that each Tenant execute an estoppel certificate in the form reasonably requested by Purchaser and annexed hereto as EXHIBIT H. Seller shall not be in default of its obligations hereunder if any Tenant fails to deliver an estoppel certificate, or delivers an estoppel certificate which is not in accordance with this Agreement.

In the event Seller is unable to obtain an executed estoppel certificate in the form of Exhibit H for each Tenant, Seller may, but is not obligated to, provide an estoppel certificate in the form prescribed by the Lease for each such Tenant, which Purchaser agrees to accept as a valid and binding estoppel certificate.

If Seller is unable to obtain an original copy or re-executed original copy of the lease with DLJ Securities Corporation dated July 1, 1987, then Seller shall request that such tenant attach said lease to its estoppel letter, and that each page be initialed by such tenant; delivery of such estoppel letter, with such attachment, shall be a condition precedent to Purchaser's obligations hereunder. Similarly, if Seller is unable to obtain a copy of the letter agreement with Combined Data Resource, Inc. dated July 18, 1991, then Seller shall request that such tenant attach said letter to its estoppel letter and initial same; delivery of such estoppel letter, with such attachment, shall be a condition precedent to Purchaser's obligations hereunder.

SECTION 7.3 BOARD APPROVAL. (a) It will be a condition to Closing that Seller obtain approval from its Board of Directors to proceed to Closing. Seller shall make such solicitations from its Board of Directors so that within fifteen (15) days following the Effective Date, Seller's Board of Directors shall have approved or denied its approval to the transaction contemplated herein. Failure by Seller to obtain said approval shall not be deemed a default hereunder. In the event Seller's Board of Directors denies approval to proceed to Closing, this Agreement shall be deemed terminated and of no further force and effect, except for the Termination Surviving Obligations, which shall survive any such termination. Seller will give Purchaser prompt notice, following the expiration of the fifteen (15) day period provided above, as to the approval or denial by the Board of Directors of Seller.

20

(b) It will be a condition to Closing that Purchaser obtain approval from its Board of Directors to proceed to Closing. Purchaser shall make such solicitations from its Board of Directors so that within fifteen (15) days following the Effective Date, Purchaser's Board of Directors shall have approved or denied its approval to the transaction contemplated herein. Failure by Purchaser to obtain said approval shall not be deemed a default hereunder. In the event Purchaser's Board of Directors denies approval to proceed to Closing, this Agreement shall be deemed terminated and of no further force and effect, except for the Termination Surviving Obligations, which shall survive any such termination. Purchaser will give Seller prompt notice, following the expiration of the fifteen (15) day period provided above, as to the approval or denial by the Board of Directors of Purchaser.

SECTION 7.4 PURCHASER'S OBLIGATIONS DURING CONTRACT PERIOD:

(a) NTT LEASE EXTENSION. Within five (5) Business Days following Seller's delivery to Purchaser of a proposed NTT Lease Extension, Purchaser agrees to provide Seller with all of its comments thereto. Purchaser agrees not to unreasonably withhold or condition its approval of the NTT Lease Extension proposed by Seller, provided the proposed NTT Lease Extension is in conformity with Section 7.1(e). In the event that Purchaser does not advise Seller of any comments thereto within the period specified, TIME BEING OF THE ESSENCE, Purchaser shall be deemed to have approved of same, otherwise, Purchaser shall be deemed to have rejected same. In the event Purchaser advises Seller of any comments to the proposed NTT Lease Extension and Seller is unable to incorporate Purchaser's comments thereto or Seller advises Purchaser that NTT shall not agree to same, then the parties shall proceed to the Closing in accordance with the terms and conditions of this Agreement and without any requirements to obtain the NTT Lease Extension, and the Purchase Price due at Closing shall be reduced as provided in Section 3.4. In the event that Seller obtains a NTT Lease Extension executed by NTT, then as part of the Assignment of Leases, Purchaser shall assume the NTT Lease Extension. In addition, Purchaser shall be obligated to pay the Outside Brokers (as defined in Exhibit C of the Leasing and Management Agreement), on account of the NTT Lease Extension, up to a maximum amount of One Million Six Hundred Forty-Five Thousand Dollars (\$1,645,000) in leasing commissions, and any leasing commissions to Outside Brokers in excess of such amount shall be paid by Seller (in the event of such excess, then Seller shall also obtain an agreement from the brokers entitled to any excess commission that Purchaser shall have no responsibility for same). Purchaser shall also be obligated to pay a leasing commission to the Agent under the Leasing and Management Agreement, on account of the NTT Lease Extension, as follows: (i) if, during the first ninety (90) days after the Closing, Seller or Agent is a procuring party in obtaining the NTT Lease Extension, then neither Seller nor any of its affiliates shall be entitled to any brokerage commission in connection with the NTT Lease Extension; (ii) if, during the one hundred and eighty (180) days after the expiration of said ninety (90) day period, Seller or Agent is a procuring party in obtaining the NTT Lease Extension, then the percentage to be used in calculating the amount due Agent in accordance with Section 2(b) of Exhibit C of the Leasing and Management Agreement

21

shall be 1.60%; and (iii) if, after the expiration of said one hundred and eighty (180) day period, Seller or Agent is a procuring party in obtaining the NTT Lease Extension, then the percentage to be used in calculating the amount due Agent in accordance with Section 2(b) of Exhibit C of the Leasing and Management Agreement shall be 2.0%.

(b) FINANCING AGREEMENT. Purchaser shall cooperate with Seller in preparing and prosecuting all necessary applications to be submitted to the City in order to obtain the City Consent. In connection therewith, Purchaser agrees that the entity to be the assignee of the Financing Agreement and the owner of the Project shall be an entity satisfying the requirements of applicable law, including without limitation, the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 ET SEQ., and that the applications shall be made in accordance with applicable laws. Purchaser agrees to use commercially reasonable efforts to complete such applications and form the necessary entities, prior to Purchaser's waiver of its right to terminate this Agreement in accordance with Section 5.3 so that promptly following such waiver, Purchaser and Seller shall jointly prosecute such applications.

(c) SERVICE CONTRACTS. During the Evaluation Period, Purchaser shall have the right to cause Seller to terminate any Service Contracts which are terminable either without payment of a fee, or with payment of a fee which Purchaser shall pay to Seller at the Closing. Purchaser must make such election prior to the expiration of the Evaluation Period, TIME BEING OF THE ESSENCE. Purchaser acknowledges that it shall not have the right to elect to have terminated any Service Contracts that are for a stated period longer than one (1) year, such as by way of example and not limitation, any Service Contracts providing for maintenance of the elevators at the Improvements.

SECTION 8.1 SELLER'S REPRESENTATIONS AND WARRANTIES. The following constitute the sole representations and warranties of Seller, which representations and warranties shall be true as of the Effective Date. Subject to the limitations set forth in Section 8.3 of this Agreement, Seller represents and warrants to Purchaser the following:

(a) STATUS. Each Seller is a limited partnership, duly organized and validly existing under the laws of the State of New Jersey.

(b) AUTHORITY. Subject to Section 7.3(a) above, (i) the execution and delivery of this Agreement and the performance of Seller's obligations hereunder have been or will be duly authorized by all necessary action on the part of Seller, and this Agreement constitutes the legal, valid and binding obligation of Seller, and (ii) no consent, waiver, approval or authorization is required from any person or entity (that has not already been obtained) in connection with the execution and delivery of this Agreement by Seller or the performance by Seller of the transactions contemplated hereby.

22

(c) NON-CONTRAVENTION. The execution and delivery of this Agreement by Seller and the consummation by Seller of the transactions contemplated hereby will not violate any judgment, order, injunction, decree, regulation or ruling of any court or Authority or conflict with, result in a breach of, or constitute a default under the organizational documents of Seller, any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any lease or other material agreement or instrument to which Seller is a party or by which it is bound.

(d) SUITS AND PROCEEDINGS. To Seller's Knowledge, except as listed in EXHIBIT I (the "SECAUCUS LITIGATION"), there are no legal actions, suits or similar proceedings pending and served, or threatened against Seller or the Property which (i) are not adequately covered by existing insurance and (ii) if adversely determined, would affect, in other than a DE MINIMIS manner, the value of the Property, the continued operations thereof, or Seller's ability to consummate the transactions contemplated hereby. MCRLP (as defined in Section 20.1) agrees to reimburse Purchaser for any amounts for which Purchaser is liable, or which constitute a lien against the Property, in connection with the Secaucus Litigation, to the extent same is on account of any period prior to the Closing Date, but subject to the balance of this paragraph. Seller shall continue to defend, at Seller's expense, the Secaucus Litigation from and after the Closing (to the extent litigation arises with respect to any period following the Closing, Purchaser will defend same at its sole cost). In the event Purchaser incurs any expenses on account of the Secaucus Litigation for a period prior to the Closing Date, then prior to it seeking reimbursement from Seller, Purchaser shall use commercially reasonable efforts to collect such payment, or an allocable portion, from those Tenants who are obligated for such expenses, or a portion thereof, based upon their Lease and their date of occupancy at the Property. In the event that any amounts are due with respect to tenants which are no longer at the Property, MCRLP shall promptly pay over such amounts to Purchaser; with respect to existing Tenants, MCRLP shall pay such amounts to Purchaser if, within one hundred twenty (120) days of Purchaser rendering a bill to such Tenant and pursuing collection thereof, such Tenant shall fail to pay same. Seller shall have the right to bring suit, and take such other action as is commercially reasonable, to collect any amounts owed from any existing Tenants, or past tenants related to the Secaucus Litigation, and Purchaser shall reasonably cooperate with Seller in such regard.

Seller hereby acknowledges that Purchaser may retain Waters, McPherson, McNeill to represent Purchaser in any future legal actions or proceedings similar to the Secaucus Litigation, and Purchaser acknowledges that such firm may continue to represent Seller in the Secaucus Litigation or such future litigation. Each party hereby waives any conflict which may arise from such representation. This Section 8.1(d) shall survive closing.

23

(e) NON-FOREIGN ENTITY. Seller is not a "foreign person" or "foreign corporation" as those terms are defined in the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

(f) TENANTS. As of the date of this Agreement, the only tenants of the Property are the tenants set forth in the Lease Schedule listed on EXHIBIT F. In the event that any of the Leases sets forth terms which are contrary to that which is contained in the Lease Schedule, the terms of the Lease shall control. The Documents made available to Purchaser pursuant to Section 5.2 hereof include true and correct copies of all of the Leases listed on EXHIBIT F. Seller has not received any notice from any Tenants which remain uncured, alleging that Seller is in default of any Leases. In addition, Seller has not sent any default notices to any of the Tenants which remain uncured.

(g) SERVICE CONTRACTS. Seller has paid, or will pay in the normal course after Closing, all amounts due prior to Closing under the Service

Contracts, and to Seller's Knowledge, Seller is not in default under any Service Contract. To Seller's Knowledge, none of the service providers listed on EXHIBIT E is in default under any Service Contract and the Service Contracts are in full force and effect. The Documents made available to Purchaser pursuant to Section 5.2 hereof include copies of all Service Contracts listed on EXHIBIT E under which Seller is currently paying for services rendered in connection with the Property, and there are no other contracts or agreements pursuant to which service providers are providing services to the Property on a regular or periodic basis.

(h) LEASES. The Leases initialed by representatives of Purchaser and Seller on or prior to the Effective Date are true, correct, and complete copies of the documents described on the Lease Schedule. Other than the tenancies under the Leases, there are presently no tenancies affecting the Property.

(i) ENVIRONMENTAL MATTERS. Except as set forth in the Environmental Report, or as may otherwise be disclosed to Purchaser in writing, to Seller's Knowledge, there is no Hazardous Substances at the Property except those in compliance with all applicable Environmental Laws.

(j) GROUND LEASE. The Ground Lease is unmodified and in full force and effect, and there is no default thereunder. Seller has delivered a true and complete copy of the Ground Lease to Purchaser prior to the date hereof.

(k) KEY INDIVIDUALS. The Key Individuals are the officers and employees of Mack-Cali Realty Corporation or Seller who have significant responsibilities with respect to the Property. The Key Individuals (other than Rob Vicci) have been officers of Mack-Cali Realty Corporation for at least the past two (2) years.

(l) BROKERAGE COMMISSIONS. The only agreements with brokers for whom leasing commissions are or may be due and payable with respect to any of the

24

Leases are set forth on EXHIBIT N. The parties' respective obligations with respect to the Brokerage Commission Agreements are set forth in Section 10.4(e).

(m) CONDEMNATION. There are no condemnation proceedings either instituted or, to Seller's Knowledge planned to be instituted, affecting the Property, nor are there any special assessment proceedings pending, or, to Seller's Knowledge, threatened, for the Property.

(n) EMPLOYEES. No person who is employed in connection with the management, operation or maintenance of the Property and who will become the obligation of Purchaser after the Closing is covered by an employment agreement or a union contract, and none of the employment arrangements with respect to the employees will be binding on Purchaser after Closing. Notwithstanding the foregoing, Purchaser acknowledges that one of the Service Contracts includes a contract with Larkin Service Corporation ("Larkin"), pursuant to which Larkin employs employees holding the positions set forth on Exhibit Q or other individuals, and that the contract with Larkin will remain as an obligation of Purchaser after Closing.

(o) ERISA. The Property is not a "plan asset" within the meaning of that term under any regulations promulgated under the Employee Retirement and Income Security Act of 1974, as amended.

SECTION 8.2 PURCHASER'S REPRESENTATIONS AND WARRANTIES. Purchaser represents and warrants to Seller the following:

(a) STATUS. CLI is a duly organized and validly existing corporation under the laws of the Federal Republic of Germany and Germania is a duly organized and validly existing corporation organized under the laws of the State of Georgia.

(b) AUTHORITY. Subject to Section 7.3(b) above, the execution and delivery of this Agreement and the performance of Purchaser's obligations hereunder have been duly authorized by all necessary action on the part of Purchaser and this Agreement constitutes the legal, valid and binding obligation of Purchaser.

(c) NON-CONTRAVENTION. The execution and delivery of this Agreement by Purchaser and the consummation by Purchaser of the transactions contemplated hereby will not violate any judgment, order, injunction, decree, regulation or ruling of any court or Authority or conflict with, result in a breach of or constitute a default under the organizational documents of Purchaser, any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any lease or other material agreement or instrument to which Purchaser is a party or by which it is bound.

(d) CONSENTS. No consent, waiver, approval or authorization is

required from any person or entity (that has not already been obtained) in connection with

25

the execution and delivery of this Agreement by Purchaser or the performance by Purchaser of the transactions contemplated hereby.

SECTION 8.3 SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS. The representations and warranties of Seller set forth in Section 8.1, and the covenants of Seller set forth in Section 7.1, will survive the Closing for a period of twelve (12) months provided, however, that all of the limitations set forth in this Section 8.3 shall not apply to the Secaucus Litigation, as set forth in Section 8.1(d), and the obligations and liabilities of MCRLP thereunder, which obligations and liabilities shall be an independent Closing Surviving Obligation. Purchaser will not have any right to bring any action against Seller as a result of any untruth or inaccuracy of such representations and warranties, or any such breach, unless and until the aggregate amount of all liability and losses arising out of any such untruth or inaccuracy, or any such breach, exceeds One Hundred Thousand Dollars (\$100,000); and then only to the extent of such excess. In addition, in no event will Seller's liability for all such breaches exceed, in the aggregate, the sum of Two Million Five Hundred Dollars (\$2,500,000). Seller shall have no liability with respect to any of Seller's representations, warranties and covenants herein if, prior to the Closing, Purchaser has knowledge (from whatever source, including, without limitation, any tenant estoppel certificates, as a result of Purchaser's due diligence tests, investigations and inspections of the Property, or written disclosure by Seller or Seller's agents and employees) of any breach of a covenant of Seller herein, or if the officers and employees of Purchaser primarily responsible for this transaction have actual knowledge (as opposed to constructive or imputed knowledge) or obtain knowledge that contradicts any of Seller's representations, warranties and covenants herein, and Purchaser nevertheless consummates the transaction contemplated by this Agreement. For the twelve (12) month period following Closing, Grove Street Associates of Jersey City Limited Partnership agrees to maintain assets having a net worth of at least \$4,000,000; in the event that such entity does not maintain such assets, then MCRLP shall guaranty the obligations of Seller pursuant to this Section 8.3. The Closing Surviving Obligations and the Termination Surviving Obligations will survive Closing without limitation unless a specified period is otherwise provided in this Agreement. All other representations, warranties, covenants and agreements made or undertaken by Seller under this Agreement, unless otherwise specifically provided herein, will not survive the Closing Date but will be merged into the Deed and other Closing documents delivered at the Closing.

ARTICLE IX
CONDITIONS PRECEDENT TO CLOSING

SECTION 9.1 CONDITIONS PRECEDENT TO OBLIGATION OF PURCHASER. The obligation of Purchaser to consummate the transaction hereunder shall be subject to the fulfillment on or before the Closing Date of all of the following conditions, any or all of which may be waived by Purchaser in its sole discretion:

26

- (a) Seller shall have delivered to Purchaser all of the items required to be delivered to Purchaser pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 10.3.
- (b) All of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the Closing Date (with only appropriate modifications permitted under this Agreement).
- (c) Seller shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Seller as of the Closing Date.
- (d) The City shall have given the City Consent.

SECTION 9.2 CONDITIONS PRECEDENT TO OBLIGATION TO SELLER. The obligation of Seller to consummate the transaction hereunder shall be subject to the fulfillment on or before the Closing Date of all of the following conditions, any or all of which may be waived by Seller in its sole discretion:

- (a) Seller shall have received the Purchase Price as adjusted pursuant to, and payable in the manner provided for, in this Agreement.
- (b) Purchaser shall have delivered to Seller all of the items required to be delivered to Seller pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 10.2.

(c) All of the representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects as of the Closing Date (with any appropriate modifications permitted under this Agreement).

(d) Purchaser shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Purchaser as of the Closing Date.

(e) The City shall have given the City Consent.

SECTION 9.3 FAILURE OF A CONDITION PRECEDENT. (a) In the event that all of the conditions to Closing as set forth in Section 9.1 have not been either satisfied, or waived by Purchaser, prior to the Closing Date, Purchaser may, at any time thereafter while any such condition remains unsatisfied, terminate this Agreement upon five (5) Business Days notice to Seller, whereupon Purchaser will receive from the Escrow Agent the Earnest Money Deposit, together with all interest accrued thereon, and thereafter Seller and Purchaser will have no further rights or obligations under this Agreement, except with respect to the Termination Surviving Obligations.

27

(b) In the event that all of the conditions to Closing as set forth in Section 9.2 have not been either satisfied, or waived by Seller, prior to the Closing Date, Seller may, at any time thereafter while any such condition remains unsatisfied, terminate this Agreement upon five (5) Business Days notice to Purchaser, whereupon Purchaser will receive from the Escrow Agent the Earnest Money Deposit, together with all interest accrued thereon, and thereafter Seller and Purchaser will have no further rights or obligations under this Agreement, except with respect to the Termination Surviving Obligations.

(c) The rights of Section 9.3(a) and (b) are not in limitation of either party's rights set forth in Section 13 in the event of a default by Seller or Purchaser, respectively.

ARTICLE X CLOSING

SECTION 10.1 CLOSING. The consummation of the transaction contemplated by this Agreement by delivery of documents and, except as set forth in the next sentence, payments of money (subject to Section 3.3) shall take place at 10:00 a.m. Eastern Time on the Closing Date at the offices of Seller's counsel, Pryor Cashman Sherman & Flynn LLP, 410 Park Avenue, New York, New York 10022. At Purchaser's election given at least three (3) Business Days prior to the Closing Date, Seller's counsel shall attend a closing of any purchase money financing obtained by Purchaser in connection with the acquisition of the Property; provided, however, neither the availability of such financing, nor any closing with respect thereto, shall be a condition to Purchaser's obligation to close, nor shall the Closing hereunder, but for the payment of money, be held at any office other than Seller's counsel. At Closing, the events set forth in this Article X will occur, it being understood that the performance or tender of performance of all matters set forth in this Article X are mutually concurrent conditions which may be waived by the party for whose benefit they are intended. The acceptance of the Deed by Purchaser shall be deemed to be full performance and discharge of each and every representation and warranty made by Seller herein, and every agreement and obligation on the part of the Seller to be performed hereunder, except those which are specifically stated herein to survive the Closing.

SECTION 10.2 PURCHASER'S CLOSING OBLIGATIONS. On the Closing Date, Purchaser, at its sole cost and expense, will deliver the following items to Seller at Closing as provided herein:

(a) The Purchase Price, after all adjustments are made as herein provided, by Federal Reserve wire transfer of immediately available funds, in accordance with the timing and other requirements of Section 3.3;

(b) A counterpart original of the Assignment of Leases, duly executed by Purchaser;

28

(c) A counterpart original of the Assignment, duly executed by Purchaser;

(d) Evidence reasonably satisfactory to Seller that the person executing the Assignment of Leases, the Assignment, and the Tenant Notice Letters on behalf of Purchaser has full right, power and authority to do so;

(e) Written notice, in the form of EXHIBIT O, executed by Purchaser and to be addressed and delivered to the Tenants by Purchaser in accordance with Section 10.6 herein, (i) acknowledging the sale of the Property

to Purchaser, (ii) acknowledging that Purchaser has received and that Purchaser is responsible for the Security Deposit (specifying the exact amount of the Security Deposit) and (iii) indicating that rent should thereafter be paid to Purchaser and giving instructions therefor (the "TENANT NOTICE LETTERS");

(f) A counterpart original of the Closing Statement, duly executed by Purchaser;

(g) Counterpart originals of the transfer tax declarations, each duly executed by Purchaser;

(h) A certificate, dated as of the date of Closing, stating that the representations and warranties of Purchaser contained in Section 8.2 are true and correct in all material respects as of the Closing Date (with appropriate modifications to reflect any changes therein) or identifying any representation or warranty which is not, or no longer is, true and correct and explaining the state of facts giving rise to the change. In no event shall Purchaser be liable to Seller for, or be deemed to be in default hereunder if any representation or warranty is not true and correct in all material respects; PROVIDED, HOWEVER, that such event shall constitute the non-fulfillment of the condition set forth in Section 9.2(c). If, despite changes or other matters described in such certificate, the Closing occurs, Purchaser's representations and warranties set forth in this Agreement shall be deemed to have been modified by all statements made in such certificate;

(i) A Leasing and Management Agreement substantially in the form of Exhibit L annexed hereto;

(j) A mortgagor's affidavit in form and substance reasonably acceptable to Purchaser if Purchaser obtains purchase money mortgage financing to consummate the transaction contemplated by this Agreement, and such other affidavits or instruments customarily required in order to remove the items set forth on Schedule B-Section II, 1-8 on the title report referenced in the first sentence of Section 6.2(a); and

29

(k) Such other documents as may be reasonably necessary or appropriate to effect the consummation of the transaction which is the subject of this Agreement.

SECTION 10.3 SELLER'S CLOSING OBLIGATIONS. At the Closing, Seller, at its sole cost and expense, will deliver to Purchaser the following documents:

(a) A bargain and sale deed with covenants against grantor's acts, or the local equivalent, (the "DEED"), duly executed and acknowledged by Seller, conveying to the Purchaser the Real Property and the Improvements subject only to the Permitted Exceptions;

(b) A blanket assignment and bill of sale in the form attached hereto as EXHIBIT C (the "BILL OF SALE"), duly executed by Seller, assigning and conveying to Purchaser, without representation or warranty, title to the Personal Property;

(c) A counterpart original of an assignment and assumption of the Seller's interest, as lessor, in the Leases and Security Deposits in the form attached hereto as EXHIBIT B (the "ASSIGNMENT OF LEASES"), duly executed by Seller, conveying and assigning to Purchaser all of Seller's right, title and interest, as sublessor, in the Leases and Security Deposits;

(d) A counterpart original of an assignment and assumption of Seller's interest in the Service Contracts and the Licenses and Permits in the form attached hereto as EXHIBIT A (the "ASSIGNMENT"), duly executed by Seller, conveying and assigning to Purchaser all of Seller's right, title, and interest, if any, in the Service Contracts and the Licenses and Permits;

(e) The Tenant Notice Letters, duly executed by Seller;

(f) Evidence reasonably satisfactory to Purchaser and Title Company that the person executing the documents delivered by Seller pursuant to this Section 10.3 on behalf of Seller has full right, power, and authority to do so;

(g) A certificate in the form attached hereto as EXHIBIT J ("CERTIFICATE AS TO FOREIGN STATUS") certifying that Seller is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended, as well as any form or other document required under applicable laws to be executed by Seller in connection with any transfer tax applicable to the transaction contemplated by this Agreement;

(h) The Ground Lease, Leases, and all original Licenses and Permits and Service Contracts in Seller's control bearing on the Property. Seller shall deliver originals of the Ground Lease and those Leases which are marked as originals on Exhibit F, and (i) if Seller is unable to obtain an

the Lease with DLJ Securities Corporation dated July 1, 1987, then the provisions of Section 7.2 shall apply and (ii) if Seller is unable to obtain a copy of the Letter Agreement dated July 18, 1991 with Combined Data Resources, Inc., then the provisions of Section 7.2 shall apply. To the extent any other originals are in Seller's possession, Seller shall also deliver same;

(i) A certificate, dated as of the date of Closing, stating that the representations and warranties of Seller contained in Section 8.1 are true and correct in all material respects as of the Closing Date (with appropriate modifications to reflect any changes therein) or identifying any representation or warranty which is not, or no longer is, true and correct and explaining the state of facts giving rise to the change. In no event shall Seller be liable to Purchaser for, or be deemed to be in default hereunder if any representation or warranty is not true and correct in all material respects; PROVIDED, HOWEVER, that such event shall constitute the non-fulfillment of the condition set forth in Section 9.1(b). If, despite changes or other matters described in such certificate, the Closing occurs, Seller's representations and warranties set forth in this Agreement shall be deemed to have been modified by all statements made in such certificate;

(j) The Lease Schedule, updated to show any changes dated as of no more than five (5) Business Days prior to the Closing Date;

(k) Counterparts of the transfer tax declarations, duly executed by Seller;

(l) A statement as to the last date through which rents have been paid by Tenants;

(m) A counterpart original of the Closing Statement, duly executed by Seller;

(n) The Leasing and Management Agreement, substantially in the form of EXHIBIT L annexed hereto;

(o) An assignment, without representation, warranty or recourse, of all Seller's right, title and interest in and to any trademarks, trade name, fictitious name or other form of identification for or related to the property, except that there shall be no assignment of the name Mack-Cali, Cali, or any derivation thereof;

(p) The ISRA Letter;

(q) An assignment and assumption of the Ground Lease;

(r) A seller's title affidavit in form and substance reasonably acceptable to Seller and the Title Company; and

(s) Such other documents as may be reasonably necessary or appropriate to effect the consummation of the transaction which is the subject of this Agreement.

SECTION 10.4 PRORATIONS.

(a) Seller and Purchaser agree to adjust, as of 11:59 p.m. on the day preceding the Closing Date (the "PRORATION TIME"), the following (collectively, the "PRORATION ITEMS"):

(i) Rentals, in accordance with Subsection 10.4(b) below.

(ii) Security Deposits and any prepaid rents, together with interest required to be paid thereon.

(iii) Utility charges payable by Seller, including, without limitation, electricity, water charges and sewer charges. If there are meters on the Real Property, Seller will cause readings of all said meters to be performed not more than five (5) days prior to the Closing Date, and a per diem adjustment shall be made for the days between the meter reading date and the Closing Date based on the most recent meter reading.

(iv) Amounts payable under the Service Contracts other than those Service Contracts which Purchaser has elected not to assume.

(v) Real estate taxes due and payable for the calendar year. If the Closing Date shall occur before the tax rate is fixed, the apportionment of real estate taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation. If subsequent to the Closing

Date, real estate taxes (by reason of change in either assessment or rate or for any other reason) for the Real Property should be determined to be higher or lower than those that are apportioned, a new computation shall be made, and Seller agrees to pay Purchaser any increase shown by such recomputation and vice versa.

(vi) The value of fuel stored at the Real Property, at Seller's most recent cost, including taxes, on the basis of a reading made within five (5) days prior to the Closing by Seller's supplier.

No adjustments shall be made on account of the Ground Lease.

Seller will be charged and credited for the amounts of all of the Proration Items relating to the period up to and including the Proration Time, and Purchaser will be charged and credited for all of the Proration Items relating to the period after the Proration Time. The estimated Closing prorations shall be set forth on a preliminary closing statement to be prepared by Seller and submitted to Purchaser prior to the Closing

32

Date (the "CLOSING STATEMENT"). The Closing Statement, once agreed upon, shall be signed by Purchaser and Seller. The proration shall be paid at Closing by Purchaser to Seller (if the prorations result in a net credit to Seller) or by Seller to Purchaser (if the prorations result in a net credit to Purchaser) by increasing or reducing the cash to be delivered by Purchaser in payment of the Purchase Price at the Closing. If the actual amounts of the Proration Items are not known as of the Closing Date, the prorations will be made at Closing on the basis of the best evidence then available; thereafter, when actual figures are received, re-prorations will be made on the basis of the actual figures, and a final cash settlement will be made between Seller and Purchaser. No prorations will be made in relation to insurance premiums, and Seller's insurance policies will not be assigned to Purchaser. Final readings and final billings for utilities will be made if possible as of the Closing Date, in which event no proration will be made at the Closing with respect to utility bills. Seller will be entitled to all deposits presently in effect with the utility providers, and Purchaser will be obligated to make its own arrangements for any deposits with the utility providers. The provisions of this Section 10.4(a) will survive the Closing for eighteen (18) months.

(b) Purchaser will receive a credit on the Closing Statement for the prorated amount (as of the Proration Time) of all Rental previously paid to or collected by Seller and attributable to any period following the Proration Time. After the Closing, Seller will cause to be paid or turned over to Purchaser all Rental, if any, received by Seller after Closing and attributable to any period following the Proration Time. "RENTAL" as used herein includes fixed monthly rentals, additional rentals, percentage rentals, escalation rentals (which include each Tenant's proration share of building operation and maintenance costs and expenses as provided for under the Lease, to the extent the same exceeds any expense stop specified in such Lease), retroactive rentals, all administrative charges, utility charges, tenant or real property association dues, storage rentals, special event proceeds, temporary rents, telephone receipts, locker rentals, vending machine receipts and other sums and charges payable by Tenants under the Leases or from other occupants or users of the Property. Rental is "DELINQUENT" when it was due prior to the Closing Date, and payment thereof has not been made on or before the Proration Time. Delinquent Rental will not be prorated. Purchaser agrees to use good faith collection procedures with respect to the collection of any Delinquent Rental, but Purchaser will have no liability for the failure to collect any such amounts and will not be required to pursue legal action to enforce collection of any such amounts owed to Seller by any Tenant. All sums collected by Purchaser from and after Closing from each Tenant (excluding tenant specific billings for tenant work orders and other specific services as described in and governed by Section 10.4(d) below and excluding payments on account of 1999 reconciliations of operating expenses, utilities and real estate tax payments or payments in lieu thereof) will be applied first to current amounts owed by such Tenant to Purchaser and then to delinquencies owed by such Tenant to Seller. Any sums due Seller will be promptly remitted to Seller.

(c) At the Closing, Seller shall deliver to Purchaser a list of additional rent, however characterized, under each Lease, including without limitation, real estate

33

taxes, electrical charges, utility costs and operating expenses (collectively, "OPERATING EXPENSES") billed to Tenants for the calendar year in which the Closing occurs (both on a monthly basis and in the aggregate), the basis on which the monthly amounts are being billed and the amounts incurred by Seller on account of the components of Operating Expenses for such calendar year. Upon the reconciliation by Purchaser of the Operating Expenses billed to Tenants, and the amounts actually incurred for such calendar year, Seller and Purchaser shall be liable for overpayments of Operating Expenses, and shall be entitled to payments

from Tenants, as the case may be, on a PRO-RATA basis based upon each party's period of ownership during such calendar year.

(d) With respect to specific tenant billings for work orders, special items performed or provided at the request of a Tenant or other specific services, which are collected by Purchaser after the Closing Date but relate to the foregoing specific services rendered by Seller prior to the Proration Time, and with respect to payments on account of 1999 reconciliations of operating expenses, utilities and real estate tax payments or payments in lieu thereof, then notwithstanding anything to the contrary contained herein, Purchaser shall cause amounts specifically allocated for such purposes by such Tenant to be paid to Seller on account thereof. To Seller's knowledge, any unpaid amounts through January 21, 2000 are not material.

(e) Notwithstanding any provision of this Section 10.4 to the contrary, Purchaser will be solely responsible for any leasing commissions due pursuant to a Brokerage Commission Agreement, tenant improvement costs or other expenditures due with respect to any amendments, renewals and/or expansions of any Leases existing as of the Effective Date, and Seller shall be responsible for any leasing commissions due on account of the initial term, or renewal period of any Lease, if the initial term or the renewal period began prior to the Effective Date. At Closing, Seller shall establish an escrow with the Escrow Agent in the amount set forth on Exhibit P, and enter into an escrow agreement on terms and conditions reasonably acceptable to Seller, Purchaser and Escrow Agent, pursuant to which the Escrow Agent shall be obligated to disburse same when due upon receipt of a proper and timely invoice. Purchaser further agrees to be solely responsible for all leasing commissions, tenant improvement costs and other expenditures (for purposes of this Section 10.4(e), "NEW TENANT COSTS") incurred or to be incurred in connection with any new lease executed on or after the Effective Date, and Purchaser will pay to Seller at Closing as an addition to the Purchase Price an amount equal to the New Tenant Costs paid by Seller.

(f) Notwithstanding any other provision of this Agreement to the contrary, if Purchaser shall become liable after the Closing for payment of any real estate taxes or other such charges assessed or imposed against the Property for any period of time prior to the Closing Date or other charge or expense which was subject to proration or a Purchase Price credit in Purchaser's favor at Closing, which was not so adjusted or credited at Closing and which is not the obligation of a Tenant to pay or to reimburse the landlord under a Tenant's Lease, Seller shall pay to Purchaser, within thirty (30) days of

34

demand accompanied by a calculation and reconciliation of the amount due, an amount equal to such tax or credit due Purchaser.

SECTION 10.5 COSTS OF TITLE COMPANY AND CLOSING COSTS. Costs of the Title Company and other Closing costs incurred in connection with the Closing will be allocated as follows:

(a) Seller shall pay (i) Seller's attorney's fees; (ii) the realty transfer tax due by reason of the transfer of the Property; (iii) the charges to record the Deed; and (iv) the brokerage commission due to Rockwood Associates, L.L.C. ("ROCKWOOD") as more particularly provided in Section 16.1.

(b) Purchaser shall pay (i) the cost of the premium for the Title Policy and all title searches; (ii) all costs of any additional coverage under the Title Policy or endorsements or deletions to the Title Policy that are desired by Purchaser; (iii) all premiums and other costs for any mortgagee policy of title insurance, if any, including but not limited to any endorsements or deletions; (iv) Purchaser's attorney's fees; (v) the brokerage commission due to Trammell Crow Company ("TRAMMELL") as more particularly provided in Section 16.1; and (vi) the costs of the Updated Survey, as provided for in Section 6.1.

(c) Any other costs and expenses of Closing not provided for in this Section 10.5 shall be allocated between Purchaser and Seller in accordance with the custom in the area in which the Property is located.

SECTION 10.6 POST-CLOSING DELIVERY OF TENANT NOTICE LETTERS. Immediately following Closing, Purchaser will deliver to each Tenant a Tenant Notice Letter, as described in Section 10.2(e).

SECTION 10.7 LIKE-KIND EXCHANGE. In the event that Seller shall elect to effectuate the Closing as a "like-kind" exchange under Section 1031 of the Code, Purchaser agrees to cooperate and assist Seller in all reasonable respects (at no cost to Purchaser other than de minimis attorneys' fees of Purchaser's counsel) in order that the exchange so qualifies as a "like-kind" exchange under Section 1031 of the Code and the Treasury Regulations promulgated, or to be promulgated, thereunder.

SECTION 11.1 CASUALTY. If, prior to the Closing Date, all or any portion of the Real Property and Improvements is destroyed or damaged by fire or other casualty, Seller will notify Purchaser of such casualty. Purchaser will have the option to terminate this Agreement upon notice to Seller given not later than fifteen (15) days after receipt of Seller's notice if all or a Significant Portion of the Real Property and Improvement are damaged or destroyed. If this Agreement is terminated, the Earnest Money Deposit and

35

all interest accrued thereon will be returned to Purchaser and thereafter neither Seller nor Purchaser will have any further rights or obligations to the other hereunder except with respect to the Termination Surviving Obligations. If Purchaser does not elect to terminate this Agreement or less than a Significant Portion of the Real Property and Improvements is destroyed or damaged as aforesaid, Seller will not be obligated to repair such damage or destruction but (a) Seller will assign and turn over to Purchaser the insurance proceeds net of reasonable collection costs (or if such have not been awarded, all of its right, title and interest therein) payable with respect to such fire or other casualty up to the amount of the Purchase Price and (b) the parties will proceed to Closing pursuant to the terms hereof without abatement of the Purchase Price, except that Purchaser will receive credit for any insurance deductible amount. In the event Seller elects to perform any repairs as a result of a casualty, Seller will be entitled to deduct its costs and expenses from any amount to which Purchaser is entitled under this Section 11.1, which right shall survive the Closing.

SECTION 11.2 CONDEMNATION OF PROPERTY.

(a) In the event of (i) any condemnation or sale in lieu of condemnation of all of the Property; or (ii) any condemnation or sale in lieu of condemnation of greater than five percent (5%) of the fair market value of the Property prior to the Closing, Purchaser will have the option, to be exercised within fifteen (15) days after receipt of notice of such condemnation or sale, of terminating Purchaser's obligations under this Agreement, or electing to have this Agreement remain in full force and effect. In the event that either (i) any condemnation or sale in lieu of condemnation of the Property is for less than five percent (5%) of the fair market value of the Property, or (ii) Purchaser does not terminate this Agreement pursuant to the preceding sentence, Seller will assign to Purchaser any and all claims for the proceeds of such condemnation or sale to the extent the same are applicable to the Property, and Purchaser will take title to the Property with the assignment of such proceeds and subject to such condemnation and without reduction of the Purchase Price. Should Purchaser elect to terminate Purchaser's obligations under this Agreement under the provisions of this Section 11.2, the Earnest Money Deposit and any interest thereon will be returned to Purchaser and neither Seller nor Purchaser will have any further obligation under this Agreement, except for the Termination Surviving Obligations. Notwithstanding anything to the contrary herein, if any eminent domain or condemnation proceeding is instituted (or notice of same is given) solely for the taking of any subsurface rights for utility easements or for any right-of-way easement, and the surface and the Improvements may, after such taking, be used in substantially the same manner as though such rights have not been taken, Purchaser will not be entitled to terminate this Agreement as to any part of the Property, but any award resulting therefrom will be assigned to Purchaser at Closing and will be the exclusive property of Purchaser upon Closing.

36

ARTICLE XII CONFIDENTIALITY

SECTION 12.1 CONFIDENTIALITY. Seller and Purchaser each expressly acknowledge and agree that the transactions contemplated by this Agreement and the terms, conditions, and negotiations concerning the same will be held in the strictest confidence by each of them and will not be disclosed by either of them except to their respective legal counsel, accountants, consultants, officers, employees, partners, directors, and shareholders, and except and only to the extent that such disclosure may be necessary for their respective performances hereunder. Purchaser further acknowledges and agrees that, unless and until the Closing occurs, all information obtained by Purchaser in connection with the Property will not be disclosed by Purchaser to any third persons without the prior written consent of Seller, provided that no such consent shall be required in respect of such information being disclosed to any of the persons mentioned in the first sentence of this Section 12.1. Nothing contained in this Article XII will preclude or limit either party to this Agreement from disclosing or accessing any information otherwise deemed confidential under this Article XII response to lawful process or subpoena or other valid or enforceable order of a court of competent jurisdiction or any filings with governmental authorities required by reason of the transactions provided for herein pursuant to an opinion of counsel. Nothing in this Article XII will negate, supersede or otherwise affect the obligations of the parties under the Confidentiality Agreement. In addition, prior to or as a part of the Closing, any release to the

public of information with respect to the sale contemplated herein or any matters set forth in this Agreement will be made only in the form approved by Purchaser and Seller and their respective counsel, which approval shall not be unreasonably withheld or delayed. The provisions of this Article XII will survive the Closing or any termination of this Agreement.

ARTICLE XIII
REMEDIES

SECTION 13.1 DEFAULT BY SELLER. In the event the Closing and the transactions contemplated hereby do not occur as herein provided by reason of any default of Seller, Purchaser may, as Purchaser's sole and exclusive remedy, elect by notice to Seller within ten (10) Business Days following the Scheduled Closing Date, either of the following: (a) terminate this Agreement, in which event Purchaser will receive from the Escrow Agent the Earnest Money Deposit, together with all interest accrued thereon, and in the event that the Agreement is terminated due to the willful or grossly negligent acts of Seller, Seller shall reimburse Purchaser up to \$400,000 for its title, survey, consultants and reasonable attorneys fees and expenses, as documented by Purchaser, whereupon Seller and Purchaser will have no further rights or obligations under this Agreement, except with respect to the Termination Surviving Obligations; or (b) seek to enforce specific performance of Seller's obligations hereunder, except that Purchaser shall not have the right to seek to enforce specific performance of those obligations of Seller which would require a subjective determination as to whether Seller has used commercially reasonable efforts, reasonable efforts, best efforts or similar standards in performing its obligations.

37

Except as specifically provided in Section 13.1(a), Purchaser expressly waives its rights to seek damages in the event of Seller's default hereunder. Purchaser shall be deemed to have elected to terminate this Agreement and receive back the Earnest Money Deposit if Purchaser fails to advise Seller, on or before sixty (60) days following the Scheduled Closing Date or sixty (60) days following the last date to which either party had exercised an extension of the Closing past the Scheduled Closing Date as permitted in this Agreement, that it intends to file suit for specific performance against Seller in a court having jurisdiction in the county and state in which the Property is located, and if Purchaser fails to actually file such suit within sixty (60) days after Purchaser advises Seller that it intends to file suit. Notwithstanding the foregoing, nothing contained in this Section 13.1 will limit Purchaser's remedies at law, in equity or as herein provided in pursuing remedies of a breach by Seller of any of the Termination Surviving Obligations.

SECTION 13.2 DEFAULT BY PURCHASER. In the event the Closing and the consummation of the transactions contemplated herein do not occur as provided herein by reason of any default of Purchaser, Purchaser and Seller agree it would be impractical and extremely difficult to fix the damages which Seller may suffer. Purchaser and Seller hereby agree that (a) an amount equal to the Earnest Money Deposit is a reasonable estimate of the total net detriment Seller would suffer in the event Purchaser defaults and fails to complete the purchase of the Property, and (b) such amount will be the full, agreed and liquidated damages for Purchaser's default and failure to complete the purchase of the Property, and will be Seller's sole and exclusive remedy (whether at law or in equity) for any default of Purchaser resulting in the failure of consummation of the Closing, whereupon this Agreement will terminate and Seller and Purchaser will have no further rights or obligations hereunder, except with respect to the Termination Surviving Obligations. The payment of such amount as liquidated damages is not intended as a forfeiture or penalty but is intended to constitute liquidated damages to Seller. Notwithstanding the foregoing, nothing contained herein will limit Seller's remedies at law, in equity or as herein provided in the event of a breach by Purchaser of any of the Termination Surviving Obligations.

ARTICLE XIV
NOTICES

SECTION 14.1 NOTICES.

(a) All notices or other communications required or permitted hereunder shall be in writing, and shall be given by any nationally recognized overnight delivery service with proof of delivery, or by facsimile transmission (provided that such facsimile is confirmed by the sender by expedited delivery service in the manner previously described), sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the addressee will have designated by written notice sent in accordance herewith. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Agreement will be as follows:

38

If to Purchaser: Germania of America, Inc.

Tower Place, Suite 2995
3340 Peachtree Road, N.E.
Atlanta, Georgia 30326
Attention: Mr. Hugh B. Gage, Jr.
Telephone No. (404) 842-2583
Fax No. (404) 842-9595

and

Commerz Immobilien GmbH
Ludwig-Erhard-Allee-9
D-40227 Dusseldorf, Germany
Attention: General Management
Telephone No.: 011-49-211-7708-401
Fax No.: 011-49-211-7708-139

with a copy to: Dewey Ballantine LLP
1301 Avenue of the Americas
New York, New York 10019
Attention: George C. Weiss, Esq.
Telephone No. (212) 259-7320
Fax No. (212) 259-6333

If Seller: c/o Mack-Cali Realty Corporation
11 Commerce Drive
Cranford, New Jersey 07016

with separate notices to the attention of:

Mr. Mitchell E. Hersh
(908) 272-8000 (tele.)
(908) 272-6755 (fax)

and

Roger W. Thomas, Esq.
(908) 272-2612 (tele.)
(908) 497-0485 (fax)

With a copy to: Andrew S. Levine, Esq.
Pryor Cashman Sherman & Flynn LLP
410 Park Avenue
New York, New York 10022
(212)326-0414 (tele.)

39

(212)326-0806 (fax)

If to Escrow
Agent: Titleserv Agency of New York, Inc., as agent for
Fidelity National Title Insurance Company of New York
9 West 57th Street
New York, New York 10019
Attention: Nicholas DeMartini, Esq.
(212)845-3100 (tele.)
(212)759-6696 (fax)

(b) Notices given by (i) overnight delivery service as aforesaid shall be deemed received and effective on the second Business Day following such dispatch and (ii) facsimile transmission as aforesaid shall be deemed given at the time and on the date of machine transmittal provided same is sent prior to 4:00 p.m. on a Business Day in the country where such party is located (if sent later, then notice shall be deemed given on the next Business Day). Notices may be given by counsel for the parties described above, and such notices shall be deemed given by said party, for all purposes hereunder.

ARTICLE XV
ASSIGNMENT AND BINDING EFFECT

SECTION 15.1 ASSIGNMENT: BINDING EFFECT. Purchaser will not have the right to assign this Agreement, or to designate another party or two (2) separate parties to be the grantee, transferee or assignee of the Deed and the Assignment and Assumption of the Ground Lease, as the case may be, or to assign any of the other Closing documents, without the prior written consent of Seller to be given or withheld in Seller's sole discretion, except that Purchaser may assign this Agreement, or designate another party or two (2) separate parties to be the grantee, transferee or assignee, as the case may be, to an entity controlled by, controlling, or under the common control of the originally named Purchaser. No such assignment or designation shall be binding on Seller or effective unless and until Seller shall receive a fully executed assignment and assumption agreement, between Purchaser and its assignee, whereby among other things, such assignee assumes all of the obligations and liabilities of Purchaser hereunder. No such assignment and assumption shall relieve the originally named Purchaser

of any of the obligations and liabilities of Purchaser hereunder.

ARTICLE XVI
BROKERAGE

SECTION 16.1 BROKERS. Seller agrees to pay to Rockwood a brokerage commission pursuant to a separate agreement by and between Seller and Rockwood. Purchaser agrees to pay Trammell (together with Rockwood, the "BROKERS") a brokerage commission pursuant to a separate agreement by and between Purchaser and Trammell. Purchaser and Seller represent that they have not dealt with any brokers, finders or salesmen, in connection with this transaction other than the Brokers, and agree to

40

indemnify, defend and hold each other harmless from and against any and all loss, cost, damage, liability or expense, including reasonable attorneys' fees, which either party may sustain, incur or be exposed to by reason of any claim for fees or commissions made through the other party. The provisions of this Article XVI will survive any Closing or termination of this Agreement.

ARTICLE XVII
ESCROW AGENT

SECTION 17.1. ESCROW.

(a) Escrow Agent will hold the Earnest Money Deposit in escrow in an interest bearing account of the type generally used by Escrow Agent for the holding of escrow funds until the earlier of (i) the Closing, or (ii) the termination of this Agreement in accordance with any right hereunder. In the event Purchaser has not terminated this Agreement by the end of the Evaluation Period or in the event Purchaser fails to advise Seller in writing that Purchaser is proceeding under this Agreement by notice to Seller given prior to the expiration of the Evaluation Period, the Earnest Money Deposit shall be non-refundable to Purchaser, but shall be credited against the Purchase Price at the Closing. In all events, all interest accrued on the Earnest Money Deposit will be paid by the Escrow Agent to the Purchaser as provided in Section 4.2. In the event the Closing occurs, the Earnest Money Deposit will be released to Seller, and Purchaser shall receive a credit against the Purchase Price in the amount of the Earnest Money Deposit. In all other instances, Escrow Agent shall not release the Earnest Money Deposit to either party until Escrow Agent has been requested by Seller or Purchaser to release the Earnest Money Deposit and has given the other party five (5) Business Days to dispute, or consent to, the release of the Earnest Money Deposit. Purchaser represents that the tax identification number for Germania, for purposes of reporting the interest earnings, is 58-1516988. Seller represents that its tax identification number, for purposes of reporting the interest earnings, is 22-3366548.

(b) Escrow Agent shall not be liable to any party for any act or omission, except for bad faith, gross negligence or willful misconduct, and the parties agree to indemnify Escrow Agent and hold Escrow Agent harmless from any and all claims, damages, losses or expenses arising in connection herewith. The parties acknowledge that Escrow Agent is acting solely as stakeholder for their mutual convenience. In the event Escrow Agent receives written notice of a dispute between the parties with respect to the Earnest Money Deposit and the interest earned thereon (the "ESCROWED FUNDS"), Escrow Agent shall not be entitled to release and deliver the Escrowed Funds to either party but may either (i) continue to hold the Escrowed Funds until otherwise directed in a writing signed by all parties hereto or (ii) deposit the Escrowed Funds with the clerk of any court of competent jurisdiction. Upon such deposit, Escrow Agent will be released from all duties and responsibilities hereunder. Escrow Agent shall have the right to consult with separate counsel of its own choosing (if it deems such consultation advisable) and shall not be liable for any action taken, suffered or omitted by it in accordance with the advice of such counsel.

41

(c) Escrow Agent shall not be required to defend any legal proceeding which may be instituted against it with respect to the Escrowed Funds, the Property or the subject matter of this Agreement unless requested to do so by Purchaser or Seller and is indemnified to its satisfaction against the cost and expense of such defense. Escrow Agent shall not be required to institute legal proceedings of any kind and shall have no responsibility for the genuineness or validity of any document or other item deposited with it or the collectibility of any check delivered in connection with this Agreement. Escrow Agent shall be fully protected in acting in accordance with any written instructions given to it hereunder and believed by it to have been signed by the proper parties.

ARTICLE XVIII
MISCELLANEOUS

SECTION 18.1 WAIVERS. No waiver of any breach of any covenant or

provisions contained herein will be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision contained herein. No extension of time for performance of any obligation or act will be deemed an extension of the time for performance of any other obligation or act.

SECTION 18.2 RECOVERY OF CERTAIN FEES. In the event a party hereto files any action or suit against another party hereto by reason of any breach of any of the covenants, agreements or provisions contained in this Agreement, then in that event the prevailing party will be entitled to have and recover the costs and expenses the prevailing party has incurred therein from the other party including all reasonable attorneys' fees and costs resulting therefrom. In the event that one party hereto has not prevailed entirely in any such suit or action, only the party which has prevailed to a greater extent (as determined by the court, agency or other authority before which such suit, action or proceeding is commenced) shall be entitled to so recover its costs and expenses but such prevailing party shall only be entitled to recover that portion of such costs and expenses which is in proportion to the relative degree to which such party prevailed in such suit or action (as determined by the court, agency or other authority before which such suit, action or proceeding is commenced). For purposes of this Agreement, the term "attorneys' fees" or "attorneys' fees and costs" shall mean the fees and expenses of counsel to the parties hereto, which may include printing, photostating, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals and other persons not admitted to the bar but performing services under the supervision of an attorney, and the costs and fees incurred in connection with the enforcement or collection of any judgment obtained in any such proceeding. The provisions of this Section 18.2 shall survive the entry of any judgment, and shall not merge, or be deemed to have merged, into any judgment.

SECTION 18.3 CONSTRUCTION. Headings at the beginning of each article and section are solely for the convenience of the parties and are not a part of this Agreement.

42

Whenever required by the context of this Agreement, the singular will include the plural and the masculine will include the feminine and vice versa. This Agreement will not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared the same. All exhibits and schedules referred to in this Agreement are attached and incorporated by this reference, and any capitalized term used in any exhibit or schedule which is not defined in such exhibit or schedule will have the meaning attributable to such term in the body of this Agreement. In the event the date on which Purchaser or Seller is required to take any action under the terms of this Agreement is not a Business Day, the action will be taken on the next succeeding Business Day.

SECTION 18.4 COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which, when assembled to include an original signature for each party contemplated to sign this Agreement, will constitute a complete and fully executed original. All such fully executed original counterparts will collectively constitute a single agreement.

SECTION 18.5 SEVERABILITY. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of law or public policy, all of the other conditions and provisions of this Agreement will nevertheless remain in full force and effect, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any adverse manner to either party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the parties hereto will negotiate in good faith to modify this Agreement so as to reflect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

SECTION 18.6 ENTIRE AGREEMENT. This Agreement is the final expression of, and contains the entire agreement between, the parties with respect to the subject matter hereof, and supersedes all prior understandings with respect thereto. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligations hereunder be waived, except by written instrument, signed by the party to be charged or by its agent duly authorized in writing, or as otherwise expressly permitted herein.

SECTION 18.7 GOVERNING LAW. THIS AGREEMENT WILL BE CONSTRUED, PERFORMED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED. SELLER AND PURCHASER HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT SITTING IN THE STATE IN WHICH THE PROPERTY IS LOCATED IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND HEREBY IRREVOCABLY AGREE THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN A STATE OR FEDERAL COURT SITTING IN THE STATE IN WHICH THE PROPERTY IS LOCATED.

43

SECTION 18.8 NO RECORDING. The parties hereto agree that neither this Agreement nor any affidavit or memorandum concerning it will be recorded and any recording of this Agreement or any such affidavit or memorandum by Purchaser will be deemed a default by Purchaser hereunder.

SECTION 18.9 FURTHER ACTIONS. The parties agree to execute such instructions to the Title Company and such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this Agreement.

SECTION 18.10 EXHIBITS. The following sets forth a list of Exhibits to the Agreement:

- Exhibit A - Assignment
- Exhibit B - Assignment of Leases
- Exhibit C - Bill of Sale
- Exhibit D - Legal Description of Real Property
- Exhibit E - Service Contracts
- Exhibit F - Lease Schedule
- Exhibit G - Permitted Exceptions
- Exhibit H - Tenant Estoppels
- Exhibit I - Suits and Proceedings
- Exhibit J - Certificate as to Foreign Status
- Exhibit K - NTT Lease Extension - Agreed Terms
- Exhibit L - Leasing and Management Agreement
- Exhibit M - Confidentiality Agreement
- Exhibit N - Brokerage Commission Agreements
- Exhibit O - Notice to Tenants
- Exhibit P - Seller's Tenant Improvement Cost Obligations
- Exhibit Q - Larkin Employees

SECTION 18.11 NO PARTNERSHIP. Notwithstanding anything to the contrary contained herein, this Agreement shall not be deemed or construed to make the parties hereto partners or joint venturers, it being the intention of the parties to merely create the relationship of Seller and Purchaser with respect to the Property to be conveyed as contemplated hereby.

SECTION 18.12 LIMITATIONS ON BENEFITS. It is the explicit intention of Purchaser and Seller that no person or entity other than Purchaser and Seller and their permitted successors and assigns is or shall be entitled to bring any action to enforce any provision of this Agreement against any of the parties hereto, and the covenants, undertakings and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, Purchaser and Seller or their respective successors and assigns as permitted hereunder. Nothing contained in this Agreement shall under any circumstances whatsoever be deemed or construed, or be interpreted, as making any third party (including, without limitation, Brokers) a beneficiary of any term or provision of this

44

Agreement or any instrument or document delivered pursuant hereto, and Purchaser and Seller expressly reject any such intent, construction or interpretation of this Agreement.

ARTICLE XIX

ISRA

SECTION 19.1 ISRA. As a condition precedent to Seller's obligation to sell and Purchaser's obligation to purchase the Property pursuant to this Agreement, Seller shall have received a non-applicability letter (the "ISRA LETTER") from the Industrial Site Evaluation Element, or its successor, of the New Jersey Department of Environmental Protection, or its successor ("DEP"), for which Seller shall apply pursuant to the Industrial Site Recovery Act, N.J.S.A. 13:1K-6 ET SEQ., the regulations promulgated thereunder, and any successor legislation and regulations. Seller agrees to use commercially reasonable efforts to obtain the ISRA Letter. If this condition precedent is not met at least twenty (20) days prior to Closing, then either party shall have the right to void this Agreement on notice to the other, in which event, except as otherwise provided in this Agreement, neither party shall be under any further obligation to the other, with the exception that the Earnest Money Deposit, together with interest thereon shall be returned to Purchaser.

Seller shall contemporaneously furnish Purchaser with all submissions, documents and correspondence sent to or received from DEP relating to the foregoing. Seller shall notify Purchaser in advance of all meetings scheduled between Seller or Seller's representatives and DEP with respect to the Property and Purchaser and Purchaser's representatives shall have the right, but not the obligation, to attend and participate in all such meetings.

ARTICLE XX

NON-COMPETITION

SECTION 20.1 NON-COMPETITION. For so long as the Leasing and Management Agreement shall be in effect, neither Seller nor Mack Cali Realty L.P. ("MCRLP"), nor any affiliate of MCRLP in which MCRLP has a majority ownership interest and exercises voting control (collectively, the "Competitive Entities") shall solicit any person or entity while they are a tenant in the Improvements (all such persons and entities, collectively, the "Existing Tenants"), and/or enter into any lease with any of the Existing Tenants, to move any of the Existing Tenants from the Improvements and into office space in other buildings in Jersey City, New Jersey at any time when comparable space is available for leasing in the Improvements, without the prior written consent of Purchaser. So long as the agent under the Leasing and Management Agreement shall have apprised Existing Tenant who shall inquire as to available space in the Improvements of the status of such space, then a determinative factor as to whether comparable office space is available in

45

the Improvements shall be a statement from the Existing Tenant that no space in the Improvements meets the requirements or needs of the Existing Tenant. Notwithstanding anything to the contrary contained in this Article XX, in no event shall a Competitive Entity be precluded from responding to an unsolicited "Request for Proposal" or other solicitation by an Existing Tenant with respect to office space in Jersey City, New Jersey, nor shall a Competitive Entity be precluded from entering into a lease with an Existing Tenant for space in Jersey City, New Jersey pursuant to or as a result of such "Request for Proposal" or other solicitation, provided that a Competitive Entity has provided notice to Purchaser of such solicitation promptly after any Competitive Entity becomes aware of such Request for Proposal" or other solicitation in order to allow Purchaser a reasonable opportunity to respond thereto. The provisions of this Article XX shall survive the Closing for the period set forth in the first sentence of this Article. This Article shall inure solely to the benefit of the grantee named in the deed from Seller for the Improvements and any Affiliate which owns the Improvements, and shall not be for the benefit of any successor or assignee of such grantee, nor any other third party. MCRLP has executed this Agreement for the sole purpose of agreeing to the terms of this Article XX and Section 8.3 hereof.

46

IN WITNESS WHEREOF, Seller and Purchaser have respectively executed this Agreement as of the Effective Date.

Date Executed:

January 31, 2000

SELLER:

Grove Street Associates of Jersey City
Limited Partnership

By: Mack-Cali Sub IV, Inc.,
its general partner

By: /s/ Roger W. Thomas

Name: Roger W. Thomas
Title: Executive Vice President,
General Counsel and Secretary

Cali-Grove Street Urban Renewal
Associates L.P.

By: Mack-Cali Sub IV, Inc.,
its general partner

By: /s/ Roger W. Thomas

Name: Roger W. Thomas
Title: Executive Vice President,
General Counsel and Secretary

PURCHASER:

January 31, 2000

CommerzLeasing und Immobilien GmbH

By: /s/ Beckman

Name: Beckman
Title: Assistant Vice President

Germania of America, Inc.

By: /s/ Andreas M. Rathke

Name: Andreas M. Rathke
Title: Executive Vice President

47

AS TO ARTICLE XVII ONLY:
ESCROW AGENT:

January 31, 2000

Titleserv Agency of New York, Inc. as
agent for Fidelity National Title
Insurance Company of New York

By: /s/ Nick DeMartini

Name: Nick DeMartini
Title: Senior Counsel

AS TO SECTION 8.3 AND ARTICLE XX
ONLY:

Mack-Cali Realty L.P.

Mack-Cali Realty Corporation,
its general partner

By: /s/ Roger W. Thomas

Name: Roger W. Thomas
Title: Executive Vice President,
General Counsel and Secretary

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