

SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549

FORM S-8

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

MACK-CALI REALTY CORPORATION

(Exact name of registrant as specified in its charter)

<TABLE>	
<S>	<C>
MARYLAND	22-3305147
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)
11 COMMERCE DRIVE, CRANFORD, NEW JERSEY	07016
(Address, including telephone number, of Principal Executive Offices)	Zip Code
</TABLE>	

2000 EMPLOYEE STOCK OPTION PLAN AND
 2000 DIRECTOR STOCK OPTION PLAN

(Full Title of the Plans)

COPIES TO:

<TABLE>	
<S>	<C>
MITCHELL E. HERSH	BLAKE HORNICK, ESQ.
Chief Executive Officer	Pryor Cashman Sherman & Flynn LLP
Mack-Cali Realty Corporation	410 Park Avenue
11 Commerce Drive	New York, New York 10022
Cranford, New Jersey	(212) 421-4100
(908) 272-8000	
</TABLE>	

(Names, addresses and telephone numbers of agents for service)

CALCULATION OF REGISTRATION FEE

<TABLE>				
<CAPTION>				
TITLE OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED*	PROPOSED MAXIMUM OFFERING PRICE PER SHARE**	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
<S>	<C>	<C>	<C>	<C>
Common Stock (\$0.01 par value).....	2,700,000 shares	\$28.34	\$76,528,260	\$20,203.46
</TABLE>				

* All of the securities registered hereby are issuable under the Plans. This registration statement includes: (i) 2,500,000 shares of common stock, \$.01 par value per share, with respect to the 2000 Employee Stock Option Plan and (ii) 200,000 shares of common stock with respect to the 2000 Director Stock Option Plan.

** Estimated, in accordance with Rule 457(c), solely for the purpose of calculating the registration fee. The Proposed Maximum Offering Price Per Share represents the average of the high and low prices of our common stock as reported by the New York Stock Exchange on December 15, 2000.

EXPLANATORY NOTES

Included on the immediately following pages is a "reoffer prospectus." Selling shareholders may use this document in connection with the reoffer and resale of restricted securities pursuant to our 2000 Employee Stock Option Plan and 2000 Director Stock Option Plan.
PROSPECTUS

MACK-CALI REALTY CORPORATION

520,000 SHARES OF
COMMON STOCK

We are a self-administered and self-managed real estate investment trust. The persons listed as our selling shareholders in this prospectus are offering and selling up to 520,000 shares of our common stock. We will issue these shares of our common stock to such selling shareholders upon their exercise of options now or hereafter granted. All net proceeds from the sale of the shares of common stock offered by this prospectus will go to the selling shareholders. We will not receive any proceeds from such sales.

The selling shareholders may offer their shares of common stock through public or private transactions, in the over-the-counter markets, on any exchanges on which our common stock is traded at the time of sale, at prevailing market prices or at privately negotiated prices. The selling shareholders may engage brokers or dealers who may receive commissions or discounts from the selling shareholders. We will pay substantially all of the expenses incident to the registration of such shares, except for the selling commissions.

Our common stock is listed on the New York Stock Exchange and the Pacific Exchange under the symbol "CLI." The closing price of our common stock as reported on the New York Stock Exchange on December 15, 2000, was \$28.44 per share.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR HAS DETERMINED IF THIS PROSPECTUS IS ADEQUATE OR ACCURATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is December 21, 2000.

No dealer, salesperson or any other person has been authorized to give any information or to make any representations other than those contained in this prospectus in connection with the offer made by this prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by us or the selling shareholders. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy, the securities offered hereby in any jurisdiction in which such offer or solicitation is not authorized, or to any person to whom it is unlawful to make such offer or solicitation. Neither the delivery of this prospectus nor any sale made hereunder shall, under any circumstances, create any implication that any information contained therein is correct as of any time subsequent to the date hereof.

AVAILABLE INFORMATION

We file annual, quarterly and special reports with the Securities and Exchange Commission. You may read and copy any document we file at the Securities and Exchange Commission's public reference room located at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, and at the following regional offices of the Commission: Seven World Trade Center, 13th Floor, New York, New York 10048 and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. You also can request copies of such documents, upon payment of a duplicating fee, by writing to the public reference room of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. The Securities and Exchange Commission maintains a web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the Securities and Exchange Commission. The address of the Securities and Exchange Commission's web site is: <http://www.sec.gov>. In addition, our common stock is listed on the New York Stock Exchange (the "NYSE") and the Pacific Exchange, and similar information concerning us can be inspected and copied at the offices of the NYSE, 20 Broad Street, New York, New York 10005.

We have filed with the Securities and Exchange Commission a registration statement on Form S-8 (of which this prospectus is a part) under the Securities Act of 1933, as amended, with respect to the securities offered hereby. This prospectus does not contain all of the information set forth in the registration statement, certain portions of which have been omitted as permitted by the rules and regulations of the Securities and Exchange Commission. Statements contained in this prospectus as to the contents of any contract or other document are not necessarily complete, and in each instance reference is made to

the copy of such contract or other document filed as an exhibit to the registration statement, each such statement being qualified in all respects by such reference and the exhibits and schedules thereto. For further information regarding us and the securities offered hereby, reference is hereby made to the registration statement and such exhibits and schedules which may be obtained from the Securities and Exchange Commission at its principal office in Washington, D.C. upon payment of the fees prescribed by the Securities and Exchange Commission.

1

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Securities and Exchange Commission allows us to "incorporate by reference" the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information we incorporate by reference is considered to be part of this prospectus and information that we file later with the Securities and Exchange Commission automatically will update and supersede such information. We incorporate by reference the documents listed below and any future filings we make with the Securities and Exchange Commission under Sections 13(a), 13(c) 14 or 15(d) of the Securities Exchange Act of 1934, as amended:

(a) Our Annual Report on Form 10-K (File No. 1-13274) for the fiscal year ended December 31, 1999, as amended by Form 10-K/A;

(b) Our Quarterly Reports on Form 10-Q (File Nos. 1-13274) for the fiscal quarters ended March 31, 2000, June 30, 2000 and September 30, 2000;

(c) Our Current Reports on Form 8-K (File Nos. 1-13274) dated March 7, 2000, June 8, 2000, June 27, 2000, September 21, 2000 and November 7, 2000;

(d) Our Proxy Statement relating to our Annual Meeting of Stockholders held on September 11, 2000; and

(e) The description of our common stock and the description of certain provisions of the laws of the State of Maryland and our articles of incorporation and bylaws, both contained in our Registration Statement filed on Form 8-A dated August 9, 1994, and any amendments or reports filed for the purpose of updating such description.

You may request a copy of these filings (including the exhibits to such filings that we have specifically incorporated by reference in such filings), at no cost, by writing or telephoning our executive offices at the following address:

Mack-Cali Realty Corporation
Attention: Chief Financial Officer
11 Commerce Drive
Cranford, New Jersey 07016
(908) 272-8000

You should rely only on the information provided or incorporated by reference in this prospectus or any related supplement. We have not authorized anyone else to provide you with different information. The selling shareholders will not make an offer of these shares in any state that prohibits such an offer. You should not assume that the information in this prospectus or any supplement is accurate as of any date other than the date on the cover page of such documents.

2

THE COMPANY

We own and operate a portfolio comprised predominately of Class A office and office/flex properties located primarily in the Northeast, as well as commercial real estate leasing, management, acquisition, development and construction businesses. As of November 30, 2000, we owned or had interests in 267 properties, aggregating approximately 28.2 million square feet, plus developable land. Included in our portfolio are 255 wholly-owned or company controlled properties, consisting of (A) 145 office buildings and 87 office/flex buildings (properties whose square footage predominantly consist of office space, a part of which is utilized as warehouse space), totaling approximately 26.3 million square feet; (B) six industrial/warehouse properties aggregating approximately 387,400 square feet; (C) two multi-family residential complexes consisting of 451 units; (D) two stand-alone retail properties; and (E) three land leases. In addition, we also have ownership interests in unconsolidated joint ventures which own eight office properties and four office/flex properties, aggregating approximately 1.5 million square feet.

We believe that our properties have excellent locations and access and that we effectively maintain and professionally manage them. As a result, we believe that our properties attract high quality tenants and achieve among the highest rental, occupancy and tenant retention rates within their markets. As of September 30, 2000, our properties were approximately 96.7 percent leased to over 2,400 tenants. Our properties currently are located in 11 states primarily in the Northeast, and the District of Columbia.

Our strategy is to focus on development and ownership of office properties in sub-markets where we are, or can become, a significant and preferred owner and operator. We will continue this strategy by expanding, primarily through acquisitions, initially into sub-markets where we have, or can achieve, similar status. Management believes that the recent trend towards increasing rental and occupancy rates in office buildings in our sub-markets continues to present significant opportunities for growth. We may also develop properties in such sub-markets, particularly with a view towards potential utilization of certain vacant land acquired or on which we hold options. Management believes that our extensive market knowledge provides us with a significant competitive advantage which is further enhanced by our strong reputation for and emphasis on delivering highly responsive management services, including direct and continued access to our senior management. We perform substantially all construction, leasing, management and tenant improvements on an "in-house" basis. We are self-administered and self-managed.

Our shares of common stock are listed on the NYSE and the Pacific Exchange under the symbol "CLI." We have paid regular quarterly distributions on our common stock since we commenced operations as a REIT in 1994. We intend to continue making regular quarterly distributions to the holders of our common stock. Distributions depend upon a variety of factors, and there can be no assurance that distributions will be made.

All of our interests in the properties are held by, and our operations are conducted through, Mack-Cali Realty, L.P., a Delaware limited partnership or by entities controlled by Mack-Cali Realty, L.P. As of November 30, 2000, we were the beneficial owner of approximately 80.0 percent of the outstanding partnership interests of Mack-Cali Realty, L.P., assuming the conversion of all of our preferred limited partnership units into common limited partnership units; and are its sole general partner.

We were incorporated under the laws of the State of Maryland on May 24, 1994. Our executive offices are located at 11 Commerce Drive, Cranford, New Jersey 07016, and our telephone number is (908) 272-8000. We have an internet web address at "http://www.mack-cali.com."

USE OF PROCEEDS

We are registering the shares of common stock offered by this prospectus for the account of the selling shareholders identified in the section of this prospectus entitled "Selling Shareholders." All of the net proceeds from the sale of the common stock will go to the selling shareholders who offer and sell their shares of such stock. We will not receive any part of the proceeds from the sale of such shares.

3

SELLING SHAREHOLDERS

The selling shareholders are persons listed in the table below who have acquired the common stock offered by this prospectus pursuant to our 2000 Director Stock Option Plan and 2000 Employee Stock Option Plan. Each selling shareholder will receive all of the net proceeds from the sale of his or her shares of common stock offered by this prospectus.

The following table sets forth certain information regarding the ownership of our common stock by the selling shareholders as of December 15, 2000. The number of shares of common stock outstanding will not change as a result of the offering, nor will the number of shares owned or percentage of ownership of any persons other than the selling shareholders change as a result thereof. There is no assurance that any of the selling shareholders will offer for sale or sell any or all of the common stock offered by them pursuant to this prospectus.

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NAME AND POSITION WITH COMPANY	NUMBER OF SHARES OWNED PRIOR TO OFFERING (1)	NUMBER OF SHARES REGISTERED HEREBY	NUMBER OF SHARES TO BE OWNED AFTER OFFERING (2)
<S>	<C>	<C>	<C>
Mitchell E. Hersh..... Chief Executive Officer and Director	723,900	200,000	523,900
Timothy M. Jones..... President	550,575	120,000	430,575
Barry Lefkowitz..... Executive Vice President and Chief Financial Officer	248,587	100,000	148,587
Roger W. Thomas..... Executive Vice President, General Counsel and Secretary	244,798	100,000	144,798

Information regarding each selling shareholder's current relationship with us or our predecessors and affiliates and such relationships, if any, within the past three years is set forth below.

MITCHELL E. HERSH serves as our Chief Executive Officer and a member of our Board of Directors and its Executive Committee. Mr. Hersh served as our President and Chief Operating Officer from December 1997 through April 19, 1999, when he became Chief Executive Officer.

TIMOTHY M. JONES serves as our President. Previously, he served as our Executive Vice President and Chief Investment Officer.

BARRY LEFKOWITZ serves as our Executive Vice President and Chief Financial Officer.

ROGER W. THOMAS serves as our Executive Vice President, General Counsel and Secretary.

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- (1) Includes shares of common stock underlying options. Also includes, where applicable, shares of common stock owned directly or issuable upon the redemption of units of limited partnership interest in Mack-Cali Realty, L.P. or upon the exercise of warrants.
- (2) Assumes all shares registered hereunder will be sold. Each selling shareholder would own less than one percent of the number of outstanding shares of common stock at December 15, 2000.

4

PLAN OF DISTRIBUTION

The shares of our common stock offered by this prospectus may be sold from time to time by the selling shareholders, or by pledgees, donees, transferees or other successors in interest. Such sales may be made on the NYSE or other exchanges on which the common stock is traded, in the over-the-counter market, or otherwise at prices and at terms then prevailing or at prices related to the then current market price, or in negotiated transactions. The shares may be sold in one or more of the following transactions: (a) a block trade in which the broker or dealer so engaged will attempt to sell the selling shareholder shares as agent but may position and resell a portion of the block as principal to facilitate the transaction; (b) purchases by a broker or dealer as principal and resale by the broker or dealer for its account pursuant to this prospectus; (c) an exchange distribution in accordance with the rules of the exchange; and (d) ordinary brokerage transactions and transactions in which the broker solicits purchasers. In effecting sales, brokers or dealers engaged by the selling shareholders may arrange for other brokers or dealers to participate. Any broker or dealer to be utilized by a selling shareholder will be selected by such selling shareholder. Brokers or dealers will receive commissions or discounts from selling shareholders in amounts to be negotiated immediately prior to the sale. These brokers or dealers and any other participating brokers or dealers, as well as certain pledgees, donees, transferees and other successors in interest, may be deemed to be "underwriters" within the meaning of Section 2(11) of the Securities Act in connection with the sales. In addition, any securities covered by this prospectus that qualify for sale pursuant to Rule 144 under the Securities Act may be sold under Rule 144 rather than pursuant to this prospectus.

Upon being notified by a selling shareholder that any material arrangement has been entered into with a broker-dealer for the sale of selling shareholder shares through a block trade, special offering, exchange distribution or secondary distribution or a purchase by a broker or dealer, we will file a supplemental prospectus, if required, pursuant to Rule 424(c) under the Securities Act, disclosing: (i) the name of each such selling shareholder and of the participating broker-dealer(s), (ii) the number of selling shareholder shares involved, (iii) the price at which such selling shareholder shares were sold, (iv) the commissions paid or discounts or concessions allowed to such broker-dealer(s), where applicable, (v) that such broker-dealer(s) did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus and (vi) other facts material to the transaction.

The selling shareholders reserve the sole right to accept and, together with any agent of the selling shareholders, to reject in whole or in part any proposed purchase of the selling shareholder shares. The selling shareholders will pay any sales commissions or other seller's compensation applicable to such transactions.

To the extent required, the amount of the shares to be sold, purchase prices, public offering prices, the names of any agents, dealers or underwriters, and any applicable commissions or discounts with respect to a particular offer will be set forth in a prospectus supplement accompanying this prospectus or, if appropriate, a post-effective amendment to the registration statement. The selling shareholders and agents who execute orders on their behalf may be deemed to be underwriters as that term is defined in Section 2(11) of the Securities Act and a portion of any proceeds of sales and discounts, commissions or other seller's compensation may be deemed to be underwriting compensation for purposes of the Securities Act.

Offers and sales of shares of the common stock have not been registered or qualified under the laws of any country, other than the United States. To comply with certain states' securities laws, if applicable, the selling shareholder shares will be offered or sold in such jurisdictions only through registered or licensed brokers or dealers. In addition, in certain states the selling shareholder shares may not be offered or sold unless they have been registered or qualified for sale in such states or an exemption from registration or qualification is available and is complied with.

5

Under applicable rules and regulations under the Exchange Act, any person engaged in a distribution of shares of our common stock may not simultaneously engage in market-making activities with respect to such shares of common stock for a period of two to nine business days prior to the commencement of such distribution. In addition to and without limiting the foregoing, each selling shareholder and any other person participating in a distribution will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including without limitation, Regulation M, which provisions may limit the timing of purchases and sales of any of our shares of common stock by the selling shareholders or any such other person. All of the foregoing may affect the marketability of our common stock and the brokers' and dealers' ability to engage in market-making activities with respect to our common stock.

We will pay substantially all of the expenses incident to the registration of the shares of common stock offered hereby, estimated to be approximately \$10,000.

DESCRIPTION OF COMMON STOCK

GENERAL

Our authorized capital stock consists of 190,000,000 shares of common stock, par value \$.01 per share, and 5,000,000 shares of preferred stock, par value \$.01 per share. At December 15, 2000, 57,238,657 shares of common stock were issued and outstanding, and no shares of preferred stock were issued and outstanding.

Each outstanding share of common stock will entitle the holder to one vote on all matters presented to shareholders for a vote, subject to the provisions of our charter regarding the ownership of shares of common stock in excess of the ownership limit described below. Holders of shares of common stock will have no preemptive rights or cumulative voting rights. All shares of common stock to be outstanding following this offering will be duly authorized, fully paid, and nonassessable. Distributions may be paid to the holders of shares of common stock if and when declared by our board of directors out of funds legally available therefor. We have paid regular and uninterrupted quarterly dividends from the third quarter of 1994.

Under Maryland law, shareholders are generally not liable for our debts or obligations. If we are liquidated, subject to the right of any holders of preferred stock to receive preferential distribution, each outstanding share of common stock will be entitled to participate pro rata in the assets remaining after payment of, or adequate provision for, all known debts and liabilities, including debts and liabilities arising out of its status of general partner of Mack-Cali Realty, L.P.

With certain exceptions, our charter provides that no person may own, or be deemed to own by virtue of the attribution rules of the Code, more than 9.8 percent of the value of our issued and outstanding shares of capital stock. See "--Restrictions on Transfer" below.

The registrar and transfer agent for the our common stock is Equiserve Trust Company, N.A.

REDEMPTION RIGHTS

We currently have outstanding units in Mack-Cali Realty, L.P. which can be redeemed for 14,354,680 shares of our common stock, assuming conversion of all of our preferred limited partnership units into common limited partnership units.

RESTRICTIONS ON TRANSFER

OWNERSHIP LIMITS. Our charter contains certain restrictions on the number of shares of capital stock that individual shareholders may own, directly or beneficially. For us to qualify as a REIT under the Code, no more than 50 percent of the value of its outstanding shares of capital stock may be

6

owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year (other than the first year) or during a proportionate part of a shorter taxable year. The capital stock must also be beneficially owned by 100 or more persons during at least 335 days of a taxable year or during a proportionate part of a shorter taxable year. Because we expect to continue to qualify as a REIT, our charter

contains restrictions on the direct and beneficial acquisition of capital stock intended to ensure compliance with these requirements.

Our charter, subject to certain exceptions, provides that no holder may own, or be deemed to own by virtue of the attribution provisions of the Code, more than 9.8 percent (the "Ownership Limit") of the value of the issued and outstanding shares of capital stock. The board of directors may exempt a person from the Ownership Limit if evidence satisfactory to the board of directors or our tax counsel is presented that such ownership will not then or in the future jeopardize our status as a REIT. As a condition of such exemption, the intended transferee must give us written notice of the proposed transfer and must furnish such opinions of counsel, affidavits, undertakings, agreements and information as may be required by the board of directors no later than the 15th day prior to any transfer which, if consummated, would result in the intended transferee having the direct or beneficial ownership of shares in excess of the Ownership Limit. The foregoing restrictions on transferability and ownership will not apply if the board of directors determines that it is no longer in our best interests to continue to qualify as a REIT. Any transfer of securities that would: (i) create a direct or indirect ownership of shares of stock in excess of the Ownership Limit; (ii) result in the shares of stock being owned by fewer than 100 persons; or (iii) result in us being "closely held" within the meaning of Section 856(h) of the Code shall be null and void, and the transferor will be deemed not to have transferred the shares.

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

Every owner of more than five percent (or such lower percentage as required by the Code or regulations thereunder) of the issued and outstanding shares of capital stock must file a written notice with us containing the information specified in the charter no later than January 31 of each year. In addition, every shareholder shall upon demand be required to disclose in writing such information as we may request in order to determine the effect of such shareholder's direct, indirect and constructive ownership of such shares on our status as a REIT.

The foregoing ownership limitations may have the effect of precluding acquisition of control of us without the consent of the board of directors.

LEGAL MATTERS

Our counsel, Pryor Cashman Sherman & Flynn LLP, New York, New York, will issue an opinion to us regarding certain legal matters in connection with this offering, including the validity of the issuance of the shares of common stock offered by this prospectus.

EXPERTS

The consolidated financial statements and financial statement schedule incorporated in this Prospectus by reference to our Annual Report on Form 10-K, as amended by Form 10-K/A, for the year ended December 31, 1999 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

NO DEALER, SALESPERSON OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER MADE BY THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR THE SELLING SHAREHOLDERS. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY, THE SECURITIES OFFERED HEREBY IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED, OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT ANY INFORMATION CONTAINED THEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

TABLE OF CONTENTS

<TABLE>
<CAPTION>

	PAGE

<S>	<C>
Available Information.....	1
Incorporation of Certain Documents by Reference.....	2

The Company.....	3
Use of Proceeds.....	3
Selling Shareholders.....	4
Plan of Distribution.....	5
Description of Common Stock.....	6
Legal Matters.....	7
Experts.....	7

</TABLE>

520,000 SHARES

MACK-CALI REALTY CORPORATION

COMMON STOCK

PROSPECTUS

DECEMBER 21, 2000

PART II
INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

We hereby incorporate by reference in this registration statement the following documents:

- (a) Our Annual Report on Form 10-K (File No. 1-13274) for the fiscal year ended December 31, 1999, as amended by Form 10-K/A;
- (b) Our Quarterly Reports on Form 10-Q (File Nos. 1-13274) for the fiscal quarters ended March 31, 2000, June 30, 2000 and September 30, 2000;
- (c) Our Current Reports on Form 8-K (File Nos. 1-13274) dated March 7, 2000, June 8, 2000, June 27, 2000, September 21, 2000 and November 7, 2000;
- (d) Our Proxy Statement relating to our Annual Meeting of Stockholders held on September 11, 2000; and
- (e) The description of our common stock and the description of certain provisions of the laws of the State of Maryland and our articles of incorporation and bylaws, both contained in our registration statement filed on Form 8-A dated August 9, 1994, and any amendments or reports filed for the purpose of updating such description.

The information we incorporate by reference is considered to be part of this prospectus and information that we file later with the Securities and Exchange Commission automatically will update and supersede such information. We incorporate by reference the documents listed above and any future filings we make with the Securities and Exchange Commission under Sections 13(a), 13(c), 14 or 15(d) of the Securities and Exchange Act of 1934, as amended.

ITEM 4. DESCRIPTION OF SECURITIES.

Not applicable.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

Not applicable.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Our officers and directors are indemnified under Maryland law, the Articles of Incorporation and the Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P., as amended (the "Partnership Agreement of the Operating Partnership"), against certain liabilities. The Articles of Incorporation require us to indemnify our directors and officers to the fullest extent permitted from time to time by the laws of the State of Maryland. The bylaws contain provisions which implement the indemnification provisions of the Articles of Incorporation.

The Maryland General Corporation Law ("MGCL") permits a corporation to

indemnify its directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made a party by reason of their service in those capacities unless it is established that the act or omission of the director or officer was material to the matter giving rise to the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty, or the director or officer actually received an improper personal benefit in money, property or services, or in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful, or the director or officer was adjudged to be liable to the corporation for the act or omission. No amendment of our Articles of Incorporation shall limit or eliminate the right to indemnification

II-1

provided with respect to acts or omissions occurring prior to such amendment or repeal. Maryland law permits us to provide indemnification to an officer to the same extent as a director, although additional indemnification may be provided if such officer is not also a director.

The MGCL permits the articles of incorporation of a Maryland corporation to include a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages, with specified exceptions. The MGCL does not, however, permit the liability of directors and officers to the corporation or its stockholders to be limited to the extent that (1) it is proved that the person actually received an improper benefit or profit in money, property or services (to the extent such benefit or profit was received) or (2) a judgment or other final adjudication adverse to such person is entered in a proceeding based on a finding that the person's action, or failure to act, was the result of active and deliberate dishonesty and was material to the cause of action adjudicated in the proceeding. Our Charter contains a provision consistent with the MGCL. No amendment of the Articles of Incorporation shall limit or eliminate the limitation of liability with respect to acts or omissions occurring prior to such amendment or repeal.

The Partnership Agreement of the Operating Partnership also provides for indemnification of us and our officers and directors to the same extent indemnification is provided to our officers and directors in our Charter, and limits the liability of us and our officers and directors to Mack-Cali Realty, L.P. and its partners to the same extent liability of our officers and directors to our stockholders is limited under our Charter.

In addition, the Delaware Revised Limited Partnership Act provides that a limited partner has the power to indemnify and hold harmless any partner or other person from and against any and all claims and demands whatsoever, subject to such standards and restrictions, if any, as are set forth in its partnership agreement.

We have entered into indemnification agreements with each of our directors and officers. The indemnification agreements require, among other things, that we indemnify our directors and officers to the fullest extent permitted by law, and advance to the directors and officers all related expenses, subject to reimbursement if it is subsequently determined that indemnification is not permitted. We also must indemnify and advance all expenses incurred by directors and officers seeking to enforce their rights under the indemnification agreements, and cover directors and officers under our directors' and officers' liability insurance. Although the form of indemnification agreement offers substantially the same scope of coverage afforded by provisions of the Charter and the bylaws and the Partnership Agreement of the Operating Partnership, it provides greater assurance to directors and officers that indemnification will be available, because, as a contract, it cannot be modified unilaterally in the future by the board of directors or by the stockholders to eliminate the rights it provides.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED.

Not applicable

ITEM 8. EXHIBITS.

<TABLE>

<C> <S>

4.1 Form of Common Stock Certificate (filed as Exhibit 4.1 to our Registration Statement on Form S-3 filed with the Securities and Exchange Commission on January 16, 1998 and incorporated herein by reference).

5.1 Opinion of Pryor Cashman Sherman & Flynn LLP

10.1 2000 Employee Stock Option Plan

10.2 2000 Director Stock Option Plan

23.1 Consent of Pryor Cashman Sherman & Flynn LLP (included in Exhibit 5.1)

ITEM 9. UNDERTAKINGS.

We, the undersigned Registrant, hereby undertake:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement to include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to such information in this registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

We hereby further undertake that, for the purposes of determining any liability under the Securities Act of 1933, each filing of our annual reports pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

We hereby further undertake that:

(1) For the purpose of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance under Rule 430A and contained in a form of prospectus filed by us pursuant to Rule 424(b)(1) or 497(h) under the Securities Act of 1933 shall be deemed to be part of this registration statement at the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by us of expenses incurred or paid by one of our directors, officers or controlling persons in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by us is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

II-3
SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, we certify that we have reasonable grounds to believe that we meet all of the requirements for filing on Form S-8 and have duly caused this registration statement to be signed on our behalf by the undersigned, thereunto duly authorized, in the city of New York, State of New York on this 20th day of December, 2000.

<TABLE>
<S>

<C> <C>
MACK-CALI REALTY CORPORATION

By: /s/ MITCHELL E. HERSH

Mitchell E. Hersh
CHIEF EXECUTIVE OFFICER

</TABLE>

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the

capacities and on the dates indicated.

<TABLE>
<CAPTION>

SIGNATURE -----	TITLE -----	DATE ----
<C>	<S>	<C>
/s/ MITCHELL E. HERSH ----- Mitchell E. Hersh	Chief Executive Officer and Director	December 20, 2000
/s/ BARRY LEFKOWITZ ----- Barry Lefkowitz	Executive Vice President and Chief Financial Officer	December 20, 2000
/s/ WILLIAM L. MACK ----- William L. Mack	Chairman of the Board	December 20, 2000
/s/ JOHN J. CALI ----- John J. Cali	Chairman Emeritus	December 20, 2000
/s/ MARTIN S. BERGER ----- Martin S. Berger	Director	December 20, 2000
/s/ BRENDAN T. BYRNE ----- Brendan T. Byrne	Director	December 20, 2000
/s/ JOHN R. CALI ----- John R. Cali	Director	December 20, 2000

</TABLE>

II-4

<TABLE>
<CAPTION>

SIGNATURE -----	TITLE -----	DATE ----
<C>	<S>	<C>
/s/ NATHAN GANTCHER ----- Nathan Gantcher	Director	December 20, 2000
/s/ MARTIN D. GRUSS ----- Martin D. Gruss	Director	December 20, 2000
/s/ EARLE I. MACK ----- Earle I. Mack	Director	December 20, 2000
/s/ ALAN G. PHILIBOSIAN ----- Alan G. Philibosian	Director	December 20, 2000
/s/ IRVIN D. REID ----- Irvin D. Reid	Director	December 20, 2000
/s/ VINCENT TESE ----- Vincent Tese	Director	December 20, 2000
/s/ ROY J. ZUCKERBERG ----- Roy J. Zuckerberg	Director	December 20, 2000

</TABLE>

II-5
INDEX TO EXHIBITS

<TABLE>
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EXHIBIT NO.	DESCRIPTION OF EXHIBIT -----
<S>	<C>
4.1	Form of Common Stock Certificate (filed as Exhibit 4.1 to our Registration Statement on Form S-3 filed with the Securities and Exchange Commission on January 16, 1998 and incorporated herein by reference).

5.1	Opinion of Pryor Cashman Sherman & Flynn LLP
10.1	2000 Employee Stock Option Plan
10.2	2000 Director Stock Option Plan
23.1	Consent of Pryor Cashman Sherman & Flynn LLP (included in Exhibit 5.1)
23.2	Consent of PricewaterhouseCoopers LLP

</TABLE>

[LETTERHEAD OF PRYOR CASHMAN SHERMAN & FLYNN LLP]

December 21, 2000

Mack-Cali Realty Corporation
11 Commerce Drive
Cranford, New Jersey 07016

Gentlemen:

We are acting as counsel to Mack-Cali Realty Corporation, a Maryland corporation (the "Company"), in connection with the Registration Statement on Form S-8, File No. 333- (the "Registration Statement"), as filed by the Company with the Securities and Exchange Commission with respect to the registration under the Securities Act of 1933, as amended (the "Act"), of 2,500,000 shares and \$200,000 shares, (the "Shares") of the common stock, par value \$0.01 per share, of the Company for delivery under the Company's 2000 Employee Stock Option Plan and 2000 Director Stock Option Plan, respectively (the "Plans").

We are qualified to practice law in the State of New York. We express no opinion as to, and, for the purposes of the opinion set forth herein, we have conducted no investigation of, and do not purport to be experts on, any laws other than the laws of the State of New York, the Maryland General Corporation Law and the laws of the United States of America.

We have examined such documents as we considered necessary for the purposes of this opinion. Based on such examination, it is our opinion that the Shares have been duly authorized and, upon issuance in accordance with the Plans, will be legally issued, fully-paid and non-assessable under the laws of the State of Maryland.

We consent to the use of this opinion as an exhibit to the Registration Statement. This opinion is furnished in connection with the transactions covered hereby.

This opinion may not be relied upon by you for any other purpose, or furnished to, quoted to, or relied upon by any other person, firm or corporation for any purpose, without our prior written consent.

Very truly yours,
PRYOR CASHMAN SHERMAN & FLYNN LLP

2000 EMPLOYEE STOCK OPTION PLAN

SECTION 1. INTRODUCTION.

1.1 PURPOSE. The purpose of the 2000 Employee Stock Option Plan (the "Plan") is to advance and promote the interests of Mack-Cali Realty Corporation (the "Corporation") and its Subsidiaries by providing employees, consultants and advisors of the Corporation or its Subsidiaries with an incentive to achieve corporate objectives, to attract and retain employees, consultants and advisors of outstanding competence and to provide such individuals with an equity interest in the Corporation through the acquisition of Common Stock and by providing for payments to such individuals based on the appreciation in value or value of such Common Stock. The Plan is intended to be construed as an employee benefit plan that satisfies the requirements for exemption from the restrictions of Section 16(b) of the Securities Exchange Act of 1934, as amended, pursuant to the applicable rules promulgated thereunder.

1.2 DEFINITIONS. The following definitions are applicable to the Plan:

(a) Award.

"Award" means Options, Restricted Stock, Stock Appreciation Rights (SARs) or any combination thereof, granted under the Plan.

(b) Award Agreement.

"Award Agreement" means the written agreement by which an Award shall be evidenced.

(c) Beneficiary.

"Beneficiary" means the beneficiary or beneficiaries designated in accordance with Section 5.8 hereof to receive the amount, if any, payable under the Plan upon the death of a Participant.

(d) Board.

"Board" means the Board of Directors of the Corporation.

(e) Change in Control.

"Change in Control" means that any of the following events has occurred:

- (i) any "person" or "group" of persons, as such terms are used in Sections 13 and 14 of the Exchange Act, other than the Corporation, any of its Subsidiaries, or any employee benefit plan sponsored by the Corporation or any of its Subsidiaries, becomes the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act) of thirty percent (30%) or more of the Common Stock issued and outstanding immediately prior to such acquisition;
- (ii) any Common Stock is purchased pursuant to a tender or exchange offer other than an offer by the Corporation; or
- (iii) the dissolution or liquidation of the Corporation or the consummation of any merger or consolidation of the Corporation or any sale or other disposition of all or substantially all of its assets, if the shareholders of the Corporation immediately before such transaction own, immediately after consummation of such transaction, equity securities (other than options and other rights to acquire equity securities) possessing less than thirty percent (30%) of the voting power of the surviving or acquiring corporation.

1

PROVIDED, HOWEVER, that notwithstanding anything in the Plan to the contrary, no Change in Control shall be deemed to have occurred and no rights arising upon a Change in Control described in Sections 2.2(f) and 4.7 hereof shall exist unless (i) on a Plan wide basis, the Board directs to the contrary by resolution adopted prior to the Change in Control or (ii) on a Participant by Participant basis with respect to individual Participants who have employment or other agreements with the Corporation or any Subsidiary which contain a definition of change in control, the definition of change in control is met under such employment or other agreement and such employment or other agreement specifies that a change in control under such other employment or other agreement will be considered a Change in Control for purposes of the Plan. Any resolution of the Board adopted in accordance with the provisions of this Section directing that this Section and Sections 2.2(f) and 4.7 hereof or any of such Sections become ineffective may be rescinded or countermanded at any time with or without retroactive effect by such Board.

(f) Code.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

(g) Committee.

"Committee" means the committee appointed pursuant to Section 1.3 hereof or if no such Committee is appointed, the Board.

(h) Common Stock.

"Common Stock" means the common stock, \$.01 par value per share, of the Corporation.

(i) Corporation.

"Corporation" means Mack-Cali Realty Corporation.

(j) Effective Date.

"Effective Date" means September 11, 2000.

(k) Eligible Individual.

"Eligible Individual" means any Key Employee, consultant or advisor of the Corporation or any Subsidiary.

(l) Exchange Act.

"Exchange Act" means the Securities Exchange Act of 1934, as amended. References to a particular section of, or rule under the Exchange Act include references to successor provisions.

(m) Fair Market Value.

"Fair Market Value" means the fair market value of the Common Stock based upon the closing price of a Share as quoted on the New York Stock Exchange at the end of the last business day preceding the Grant Date or other date of determination, as reported in the New York edition of The Wall Street Journal.

(n) Incentive Stock Option.

"Incentive Stock Option" means an Option to purchase Common Stock that qualifies as an incentive stock option within the meaning of Section 422 of the Code.

(o) Immediate Family.

"Immediate Family" means, with respect to a particular Participant, the Participant's spouse, children and grandchildren.

2

(p) Key Employee.

"Key Employee" means any employee of the Corporation or any of its Subsidiaries, including any officer or director who is also an employee, who, in the judgment of the Committee, is considered important to the future of the Corporation. Nothing shall limit the Board from designating all or substantially all employees as eligible for grants.

(q) Mature Shares.

"Mature Shares" means Shares for which the holder thereof has good title, free and clear of all liens and encumbrances, and which such holder either (i) has held for at least six (6) months or (ii) has purchased from the open market.

(r) Non-qualified Stock Option.

"Non-qualified Stock Option" means an Option to purchase Common Stock that does not qualify as an Incentive Stock Option.

(s) Option.

"Option" means an Incentive Stock Option or a Non-qualified Stock Option granted under the Plan.

(t) Option Price.

"Option Price" means the purchase price per Share of an Option.

(u) Option Term.

"Option Term" means the period beginning on the Grant Date of an Option and ending on the expiration date of such Option, as specified in the Award

Agreement for such Option and as may, in the discretion of the Committee, and consistent with the provisions of the Plan, be extended from time to time.

(v) Participant.

"Participant" means an Eligible Individual who has been granted an Award or a Permitted Transferee.

(w) Permitted Transferee.

"Permitted Transferee" means a person to whom an Award may be transferred or assigned in accordance with Section 5.8 hereof.

(x) Plan.

"Plan" means the 2000 Employee Stock Option Plan, as the same may be amended from time to time.

(y) Restricted Stock.

"Restricted Stock" means Shares which are subject to forfeiture if the Participant does not satisfy the Restrictions specified in the Award Agreement applicable to such Restricted Stock.

(z) Restricted Period.

"Restricted Period" means the period of time Restricted Stock are subject to the Restrictions specified in the Award Agreement applicable to such Restricted Stock.

(aa) Restrictions.

"Restrictions" means those restrictions and conditions placed upon Restricted Stock as determined by the Board in accordance with Section 4.2 hereof.

3

(bb) Rule 16b-3.

"Rule 16b-3" means Rule 16b-3 of the SEC under the Exchange Act, as amended from time to time, together with any successor rule.

(cc) SEC.

"SEC" means the Securities and Exchange Commission.

(dd) Section 16 Participant.

"Section 16 Participant" means a Participant who is subject to potential liability under Section 16(b) of the Exchange Act with respect to transactions involving equity securities of the Corporation.

(ee) Share.

"Share" means a share of Common Stock.

(ff) Stock Appreciation Right or SAR.

"Stock Appreciation Right" or "SAR" means a right granted under the Plan in connection with an Option, or separately, to receive the appreciation in value of Shares.

(gg) Subsidiary.

"Subsidiary" means, for purposes of grants of Incentive Stock Options, a corporation as defined in Section 424(f) of the Code (with the Corporation treated as the employer corporation for purposes of this definition) and, for all other purposes, a corporation or other entity with respect which the Corporation (i) owns, directly or indirectly, fifty percent (50%) or more of the then outstanding common stock in any corporation or (ii) has a fifty percent (50%) or more ownership interest in any other entity.

(hh) 10% Owner.

"10% Owner" means a person who owns capital stock (including stock treated as owned under Section 424(d) of the Code) possessing more than ten percent (10%) of the combined voting power of all classes of capital stock of the Corporation or any Subsidiary where "voting power" means the combined voting power of the then outstanding securities of a corporation entitled to vote generally in the election of directors.

1.3 ADMINISTRATION. The Plan shall be administered by a committee (the "Committee"), which shall consist of two or more directors of the Corporation, all of whom qualify as "Non Employee Directors" as defined in Rule 16b-3. The number of members of the Committee shall from time to time be increased or

decreased, and shall be subject to such conditions, in each case as the Board deems appropriate to permit transactions in Shares pursuant to the Plan to satisfy such conditions of Rule 16b-3 as then in effect. In the event that the Compensation Committee of the Board (the "Compensation Committee") meets the requirements set forth in this Section 1.3 hereof, such Compensation Committee shall be the Committee hereunder unless otherwise determined by the Board.

A majority of the members of the Committee shall constitute a quorum. The Committee may act at a meeting, including a telephonic meeting, by action of a majority of the members present, or without a meeting by unanimous written consent.

Subject to the express provisions of the Plan, the Committee shall have full and final authority and discretion as follows:

- (i) to select the Participants from Eligible Individuals;
- (ii) to grant Options and/or Restricted Stock to Participants in such combination and in such amounts as it shall determine and to determine the terms and conditions applicable to each such Award, including the benefit payable under any SAR, and whether or not specific

4

Awards shall be identifiable with other specific Awards, and if so whether they shall be exercisable cumulatively with, or alternatively to, such other specific Award;

- (iii) to determine the amount, if any, that a Participant shall pay for Restricted Stock, the nature of the Restrictions applicable to the Restricted Stock, and the duration of the Restricted Period applicable to the Restricted Stock;
- (iv) to determine the actual amount earned by each Participant with respect to such Awards, the terms and conditions of all Award Agreements (which need not be identical) and with the consent of the Participant, to amend any such Award Agreement at any time, among other things, to permit transfers of such Awards to the extent permitted by the Plan, except that consent of the Participant shall not be required for any amendment which (A) does not adversely affect the rights of the Participant or (B) is necessary or advisable (as determined by the Committee) to carry out the purpose of the Award as a result of any change in applicable law; PROVIDED, HOWEVER, that the Committee shall not have the authority and discretion to re-price any Award;
- (v) to determine consistent with the Code whether an Option that is granted to a Participant is a Non-qualified Stock Option or an Incentive Stock Option, the number of Shares to be covered by each such Option and the time or times when and the manner in which each Option shall be exercisable;
- (vi) to amend any Incentive Stock Option with the consent of the Participant so as to make it a Non-qualified Stock Option;
- (vii) to grant a SAR in connection with the grant of an Option or separately;
- (viii) to accelerate the exercisability (including exercisability within a period of less than one year after the Grant Date) of, and to accelerate or waive any or all of the terms and conditions applicable to, any Award or any group of Awards for any reason and at any time, including in connection with a termination of employment or consultancy;
- (ix) subject to the provisions of the Plan, to extend the time during which any Award or group of Awards may be exercised;
- (x) to treat all or any portion of any period during which a Participant is on military leave or on an approved leave of absence from the Corporation or a Subsidiary as a period of employment or service of such Participant by the Corporation or any Subsidiary for purposes of accrual of his or her rights under his or her Awards;
- (xi) to interpret the Plan and make all determinations necessary or advisable for the administration of the Plan including the establishment, amendment or revocation from time to time of guidelines or regulations for the administration of the Plan, to cause appropriate records to be established, and to take all other actions considered necessary or advisable for the administration of the Plan; and
- (xii) to take any other action with respect to any matters relating to the Plan for which it is responsible.

All decisions, actions or interpretations of the Committee on all matters relating to the Plan or any Award Agreement shall be final, binding and conclusive upon all parties. No member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Award.

1.4 PARTICIPATION. The Committee may, in its discretion, grant Awards to any Eligible Individual, whether or not he or she has previously received an Award. Participation in the Plan shall be limited to those Key Employees, consultants and advisors who have received written notification from the Committee, or from a person designated by the Committee, that they have been selected to participate in the Plan.

5

No such Eligible Individuals shall at any time have the right to be a Participant unless selected by the Committee pursuant to the Plan. No Participant, having been granted an Award, shall have the right to an additional Award in the future unless such Award is granted by the Committee.

1.5 MAXIMUM NUMBER OF SHARES AVAILABLE FOR AWARDS. Subject to adjustment in accordance with Section 5.2 hereof, the maximum number of Shares for which grants under the Plan shall be available is 2,500,000. In addition, the Administrative Committee shall have the authority, in its sole discretion, to grant additional Non-qualified Stock Options to a Participant who exercises an Option and pays the exercise price in Common Stock, in a quantity equal to the number of Common Stock delivered to the Corporation upon such exercise. In the event any Awards granted under the Plan shall be forfeited, terminate or expire, the number of Shares subject to such Award, to the extent of any such forfeiture, termination or expiration, shall thereafter again be available for grant under the Plan. The Common Stock distributed under the Plan may be authorized and unissued shares, shares held in the treasury of the Corporation, or shares purchased on the open market by the Corporation (at such time or times and in such manner as it may determine). The Corporation shall be under no obligation to acquire Common Stock for distribution to Participants before such Common Stock is due and distributable.

1.6 GENERAL CONDITIONS TO GRANTS. The Grant Date of an Award shall be the date on which the Committee grants the Award or such later date as specified in advance by the Committee. All Awards shall be evidenced by an Award Agreement and any terms and conditions of an Award not set forth in the Plan shall be set forth in the Award Agreement related to that Award or in the Participant's employment or other agreement with the Corporation or any Subsidiary.

SECTION 2. OPTIONS.

2.1 AWARDS OF OPTIONS. Subject to the provisions of the Plan, the Committee shall determine and designate from time to time those Eligible Individuals to whom Incentive Stock Options, or Non-qualified Stock Options, or both, shall be granted and the number of Shares to be granted to each such Eligible Individual; PROVIDED, HOWEVER, that only Key Employees may receive Incentive Stock Options and the aggregate fair market value (determined at the time the Option is granted) of the shares with respect to which any incentive stock options are exercisable for the first time by any Key Employee during any calendar year under all incentive stock option plans of the Corporation and any Subsidiary shall not exceed one hundred thousand dollars (\$100,000) or such other limit set forth in Section 422 of the Code (the "Limitations of the Code"). If the aggregate fair market value of such shares exceeds the Limitations of the Code, the excess Shares will be treated as Non-qualified Options under this Plan. In reducing the number of Incentive Stock Options to meet the Limitations of the Code, the most recently granted Incentive Stock Options shall be reduced first. If a reduction of simultaneously granted Options is necessary to meet the Limitations of the Code, the Committee may designate which Shares are to be treated as Shares acquired pursuant to an Incentive Stock Option. In the event that any Incentive Stock Options granted under the Plan fail to meet the requirements for Incentive Stock Options as set forth in the Code, such Incentive Stock Options will be treated as Non-qualified Stock Options under the Plan. In determining the Eligible Individuals who will be granted Options under the Plan, the Committee may consider such individuals' responsibilities, service, present and future value to the Corporation or any Subsidiary and other factors it considers relevant.

2.2 TERMS AND CONDITIONS OF OPTIONS. Except as otherwise provided in a Participant's employment or other agreement with the Corporation or any Subsidiary or in an Award Agreement, each Option shall be subject to the following express terms and conditions and to such other terms and conditions as the Committee may deem appropriate as set forth in the Award Agreement or the Participant's employment or other agreement with the Corporation or any Subsidiary:

(a) OPTION TERM. Each Option shall expire on the tenth (10th) anniversary of the Grant Date (or in the case of an Incentive Stock Option granted to a 10% Owner, on the fifth (5th) anniversary of the

6

Grant Date) or such earlier period specified in the Participant's Award

Agreement or employment or other agreement with the Corporation or any Subsidiary. The Committee may extend such Option Term; PROVIDED, HOWEVER, that (i) such extension shall not in any way disqualify the Option as an Incentive Stock Option and (ii) the Option Term, including any such extensions, shall not exceed ten (10) years.

(b) OPTION PRICE. The Option Price per Share shall be determined by the Committee no later than the Grant Date of any Option; PROVIDED, HOWEVER, (i) in the case of an Incentive Stock Option, the Option Price shall not be less than the Fair Market Value of a Share on the Grant Date, and (ii) in the case of an Incentive Stock Option granted to a 10% Owner, the Option Price shall not be less than one hundred ten percent (110%) of the Fair Market Value of a Share on the Grant Date, (but in no event less than the par value of a Share).

(c) EXERCISE OF OPTION. The exercisability of an Option shall be determined by the Committee. Subject to acceleration or early expiration as provided elsewhere in the Plan or in a Participant's employment or other agreement with the Corporation or any Subsidiary, the vesting of any Option granted under the Plan shall be subject to the Participant remaining in the employ of or maintaining a consultancy with the Corporation or any of its Subsidiaries and shall vest (i) in five (5) equal installments of twenty percent (20%) of the amount granted, with the first installment vesting on the December 31st next following the Grant Date and each other installment vesting on each of the next four December 31st thereafter or (ii) in such other amounts over such period of time after the Grant Date as the Committee may designate.

(d) DISQUALIFYING DISPOSITION. The Award Agreement shall require any Participant who is granted an Incentive Stock Option to notify the Corporation of any disposition of such Shares issued upon the exercise of such Incentive Stock Option under the circumstances described in Section 421(b) of the Code (relating to certain disqualifying dispositions) (a "Disqualifying Disposition", within ten (10) business days after such Disqualifying Disposition.

(e) PAYMENT OF PURCHASE PRICE UPON EXERCISE. The purchase price as to which an Option shall be exercised shall be paid to the Corporation at the time of exercise either (i) in cash, certified check or wire transfer, (ii) in such other consideration as the Committee deems appropriate, including, but not limited to, loans from the Corporation or a third party, (iii) subject to the approval of the Committee, in Mature Shares already owned by the Participant having a total fair market value, as determined by the Committee, equal to the purchase price, or a combination of cash and Mature Shares having a total fair market value, as so determined, equal to the purchase price, (iv) subject to the approval of the Committee, in its sole discretion, by delivering a properly executed exercise notice in a form approved by the Committee, together with an irrevocable notice of exercise and irrevocable instructions to a broker to promptly deliver to the Corporation the amount of applicable sale or loan proceeds sufficient to pay the purchase price for such Shares, together with the amount of federal, state and local withholding taxes payable by Participant by reason of such exercise, or (v) a combination of the foregoing.

(f) EXERCISE IN THE EVENT OF TERMINATION OR CHANGE IN CONTROL. Unless otherwise provided in a Participant's employment or other agreement with the Corporation or any Subsidiary or Award Agreement, the following provisions shall apply upon termination of a Participant's employment or consultancy with the Corporation or any Subsidiary:

(i) UPON TERMINATION FOR ANY REASON OTHER THAN DUE TO DEATH. If a Participant's employment or consultancy with the Corporation or any Subsidiary shall terminate for any reason other than by reason of his or her death, such Participant may exercise his or her Options, to the extent that such Participant shall have been entitled to do so on the date of such termination, at any time, or from time to time, but not later than (x) the expiration date specified in Subsection 2.2(a) hereof or (y) three (3) months after the date of such termination, whichever date is

7

earlier and any portion of any Option granted hereunder that is not vested and exercisable as of the date of the Participant's termination of employment shall automatically expire and be forfeited as of such date of termination.

(ii) UPON TERMINATION DUE TO DEATH. In the event a Participant's employment or consultancy shall terminate by reason of his or her death, such Participant's Beneficiary, heirs or estate may exercise his or her Options, to the extent that such Participant, if such Participant had not died, would have been entitled to do so within the calendar year following such Participant's death, at any time, or from time to time, but not later than (x) the expiration date specified in Subsection 2.2(a) hereof or (y) one year after the date of death, whichever is earlier and any portion of any Option

granted hereunder that would not have vested and been exercisable within the calendar year following such Participant's death if such Participant had not died shall automatically expire and be forfeited as of the date of such Participant's death.

(iii) UPON A CHANGE IN CONTROL. In the event a Participant's employment or consultancy shall terminate within six (6) months following a Change in Control, all Options granted under the Plan which the Participant shall not then have been entitled to exercise shall be accelerated as of the date of such termination and the Participant may exercise all such Options at any time, or from time to time, but not later than (x) the expiration date specified in Subsection 2.2(a) hereof or (y) three (3) months after such termination, whichever is earlier.

(g) TRANSFERABILITY OF INCENTIVE STOCK OPTIONS. No Incentive Stock Option granted under the Plan shall be transferable other than by will or by the laws of descent and distribution and during the lifetime of the Participant, shall be exercisable only by the Participant or his or her guardian or legal representative.

(h) INVESTMENT REPRESENTATION. Each Award Agreement for an Option shall provide that, upon demand by the Committee for such a representation, the Participant (or any person acting under Subsection 2.2(e) hereof) shall deliver to the Committee, at the time of any exercise of an Option or portion thereof, a written representation that the Shares to be acquired upon such exercise are to be acquired for investment and not for resale or with a view to the distribution thereof. Upon such demand, delivery of such representation prior to the delivery of any Common Stock issued upon exercise of an Option and prior to the expiration of the Option Term shall be a condition precedent to the right of the Participant or such other person to purchase any Common Stock. In the event certificates for Common Stock are delivered under the Plan with respect to which such an investment representation has been obtained, the Committee may cause a legend or legends to be placed on such certificates to make appropriate reference to such representations and to restrict transfer in the absence of compliance with applicable federal or state securities laws.

(i) PARTICIPANTS TO HAVE NO RIGHTS AS SHAREHOLDERS. No Participant shall have any rights as a shareholder with respect to any Common Stock subject to his or her Option prior to the date of issuance to him or her of such Common Stock.

(j) OTHER OPTION PROVISIONS. The Committee may require a Participant to agree, as a condition to receiving an Option under the Plan, that part or all of any Options previously granted to such Participant under the Plan or any prior plan of the Corporation be terminated.

2.3 EXERCISE OF OPTIONS. An Option shall be exercised by the delivery to the Corporation during the Option Term of (x) written notice of intent to purchase a specific number of Shares subject to the Option and (y) payment in full of the Option Price of such specific number of Shares.

SECTION 3. STOCK APPRECIATION RIGHTS.

3.1 AWARD OF STOCK APPRECIATION RIGHTS. Subject to the provisions of the Plan, the Committee shall determine and designate from time to time those Eligible Individuals to whom SARs shall be granted and

8

the number of Shares to be granted to each such Eligible Individual. When granted SARs may, but need not, be identified with a specific Option (including any Option granted on or before the Grant Date of the SARs) in a number equal to or different from the number of SARs so granted. If SARs are identified with Shares subject to an Option, then, unless otherwise provided in the applicable Award Agreement, the Participant's associated SARs shall terminate upon (x) the expiration, termination, forfeiture or cancellation of such Option, or (y) the exercise of such Option.

3.2 STRIKE PRICE. The strike price ("Strike Price") of any SAR shall equal, for any SAR that is identified with an Option, the Option Price of such Option, or for any other SAR, 100% of the Fair Market Value of a Share on the Grant Date of such SAR; except that the Committee may (x) specify a higher Strike Price in the Award Agreement or (y) provide that the benefit payable upon exercise of any SAR shall not exceed a percentage of Fair Market Value of a Share on such Grant Date as the Committee shall specify.

3.3 VESTING OF SARs. Unless otherwise specified in the applicable Award Agreement or in the Participant's employment or other agreement with the Corporation or any Subsidiary, (x) each SAR not identified with any other Award shall become exercisable with respect to 20% of the Shares subject thereto on each of the first five December 31st following the Grant Date of such SAR or in such other amounts and over such other time period as may be determined by the Committee and (y) each SAR which is identified with any other Award shall become exercisable as and to the extent that the Option with which such SAR is

identified may be exercised.

3.4 EXERCISE OF SARS. SARS shall be exercised by delivery to the Corporation of written notice of intent to exercise a specific number of SARS. Unless otherwise provided in the applicable Award Agreement or a Participant's employment or other agreement with the Corporation or any Subsidiary, the exercise of SARS which are identified with Shares subject to an Option shall result in the cancellation or forfeiture of such Option, to the extent of such exercise and any such Shares so canceled or forfeited shall not thereafter again become available for grant under the Plan. The benefit for each SAR shall be equal to (x) the Fair Market Value of the Share on the date of such exercise, minus (y) the Strike Price of such SAR. Such benefit shall be payable in cash (subject to applicable withholding), except that the Committee may provide in the applicable Award Agreement that benefits may be paid wholly or partly in Shares.

3.5 NO RIGHTS AS SHAREHOLDERS. No Participant shall have any rights as a shareholder with respect to any Common Stock subject to his or her SAR.

3.6 EXERCISE IN THE EVENT OF TERMINATION OR CHANGE IN CONTROL. Unless otherwise provided in a Participant's employment or other agreement with the Corporation or any Subsidiary or Award Agreement, the following provisions shall apply upon termination of a Participant's employment or consultancy with the Corporation or any Subsidiary:

- (i) UPON TERMINATION FOR ANY REASON OTHER THAN DUE TO DEATH. If a Participant's employment or consultancy with the Corporation or any Subsidiary shall terminate for any reason other than by reason of his or her death, such Participant may exercise his or her SARS, to the extent that such Participant shall have been entitled to do so on the date of such termination, at any time, or from time to time, but not later than (x) the expiration date specified in Subsection 2.2(a) hereof or (y) three (3) months after the date of such termination, whichever date is earlier and any SARS granted hereunder that are not vested and exercisable as of the date of the Participant's termination of employment shall automatically expire and be forfeited as of such date of termination.
- (ii) UPON TERMINATION DUE TO DEATH. In the event a Participant's employment or consultancy shall terminate by reason of his or her death, such Participant's Beneficiary, heirs or estate may exercise his or her SARS, to the extent that such Participant, if such Participant had not died, would have been entitled to do so within the calendar year following such Participant's

9

death, at any time, or from time to time, but not later than (x) the expiration date specified in Subsection 2.2(a) hereof or (y) one year after the date of death, whichever is earlier and any SARS granted hereunder that would not have vested and been exercisable within the calendar year following such Participant's death if such Participant had not died shall automatically expire and be forfeited as of the date of such Participant's death.

- (iii) UPON A CHANGE IN CONTROL. In the event a Participant's employment or consultancy shall terminate within six (6) months following a Change in Control, all SARS granted under the Plan which the Participant shall not then have been entitled to exercise shall be accelerated as of the date of such termination and the Participant may exercise all such SARS at any time, or from time to time, but not later than (x) the expiration date specified in Subsection 2.2(a) hereof or (y) three (3) months after such termination, whichever is earlier.

SECTION 4. RESTRICTED STOCK.

4.1 AWARDS OF RESTRICTED STOCK. Restricted Stock awarded under this Plan shall be subject to certain Restrictions as provided below. All Restrictions imposed on any such Award of Restricted Stock shall be made by and at the discretion of the Committee, subject to the provisions of the Plan, and are binding on the Corporation and the Participants, their Beneficiaries and legal representatives.

4.2 RESTRICTED PERIOD/RESTRICTIONS. At the time each Award of Restricted Stock is granted, the Committee (i) shall establish a Restricted Period within which Restricted Stock awarded to the Participants may not be sold, assigned, transferred, made subject to gift, or otherwise disposed of, mortgaged, pledged or otherwise encumbered, if any and (ii) may impose such other Restrictions on any Restricted Stock as it may deem advisable.

4.3 RIGHTS AS STOCKHOLDERS. Except for the conditions outlined in Section 4.2 hereof, and the forfeiture conditions described in Section 4.5 hereof, each Participant shall have all rights of a holder of Common Stock, including the right to receive all dividends or other distributions made or paid in respect of such Shares and the right to vote such Shares at regular or

special meetings of the shareholders of the Corporation.

4.4 DELIVERY OF SHARES. The certificates for any Restricted Stock awarded to an Eligible Individual under the Plan shall be held (together with a stock power executed in blank by the Eligible Individual) in escrow by the Secretary of the Corporation under the Participant's name in an account maintained by the Corporation until such Shares of Restricted Stock become nonforfeitable or are forfeited. At the conclusion of the Restricted Period or the expiration or attainment of such other Restrictions imposed on any Restricted Stock granted to a Participant, or upon the prior approval of the Committee as described in Section 4.5 hereof, and subject to the satisfaction of the Corporation's withholding obligations described in Section 5.8 hereof, certificates representing such Shares of Restricted Stock shall be delivered to the Participant, or the Beneficiary or legal representative of the Participant, free of the Restrictions set forth in the Award Agreement pursuant to Section 4.2 hereof.

4.5 TERMINATION OF A PARTICIPANT'S EMPLOYMENT OR CONSULTANCY. Unless otherwise provided in the Award Agreement or in the Participant's employment or other agreement with the Corporation or any Subsidiary, the following provisions shall apply upon termination of a Participant's employment or consultancy with the Corporation or any Subsidiary:

- (i) UPON TERMINATION FOR ANY REASON OTHER THAN DUE TO DEATH. If a Participant's employment or consultancy with the Corporation or any Subsidiary is terminated, except termination due to death, all Restricted Stock awarded under the Plan which are then subject to a Restricted Period or other Restrictions will be forfeited and become the property of the Corporation on the date of such termination. However, the Committee may, if it, in its sole discretion, determines that the circumstances warrant such action, approve the release of all or any part

10

of the Restricted Stock which would otherwise be forfeited pursuant to this Section, upon such conditions as it shall determine.

- (ii) UPON DUE TO DEATH. If a Participant's employment or consultancy with the Corporation or a Subsidiary is terminated due to death, all Shares of Restricted Stock awarded under the Plan which are then subject to a Restricted Period or other Restrictions and which would have been released, if the Participant had not died, within the calendar year following the Participant's death shall be released on the date of such termination as if with respect to such Shares the Restricted Period had ended and the other Restrictions had lapsed and certificates representing such Shares of Restricted Stock shall be delivered to the Participant's Beneficiary or legal representative free from such Restrictions as soon as practicable following such termination and all other Shares of Restricted Stock which would not have been released, if the Participant had not died, within the calendar year following the Participant's death will be forfeited and become the property of the Corporation on the date of such termination.

4.6 SECTION 83(B) ELECTIONS. A Participant who files an election permitted under Section 83(b) of the Code with the Internal Revenue Service to include the fair market value of any Restricted Stock in gross income while they are still subject to a Restricted Period or other Restrictions shall notify the Corporation of such election within ten (10) days of making such election and promptly furnish the Corporation with a copy of such election together with the amount of any federal, state, local or other taxes required to be withheld to enable the Corporation to claim an income tax deduction with respect to such election.

4.7 CHANGE IN CONTROL. In the event of a Change in Control, all Restricted Periods shall end, the Restricted Period or other Restrictions applicable to all previously granted Awards of Restricted Stock shall end or lapse, as the case may be, and such Shares shall be released and certificates representing such Shares of Restricted Stock shall be delivered to the Participants free from such Restrictions as soon as practicable following such Change in Control.

SECTION 5. GENERAL PROVISIONS.

5.1 GENERAL CREDITOR STATUS. Participants shall have no right, title, or interest whatsoever in or to any investments which the Corporation may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Corporation and any Participant, Beneficiary, legal representative or any other person. To the extent that any person acquires a right to receive payments from the Corporation under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Corporation. All payments to be made hereunder shall be paid from the general funds of the Corporation and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts except as expressly set forth in the Plan;

PROVIDED, HOWEVER, that in its sole discretion, the Committee may authorize the creation of trusts or other arrangements to meet the obligations created under the Plan to deliver Common Stock or pay cash; PROVIDED, FURTHER, HOWEVER, that, unless the Committee otherwise determines with the consent of the affected Participant, the existence of such trusts or other arrangements shall be consistent with the "unfunded" status of the Plan.

5.2 CERTAIN ADJUSTMENTS TO SHARES. In the event of any change in the Common Stock by reason of any stock dividend, recapitalization, reorganization, spin-off, split-off, merger, consolidation, stock split, reverse stock split, combination or exchange of shares, or any rights offering to purchase Common Stock at a price substantially below fair market value, or of any similar change affecting the Common Stock of or by the Corporation, the number and kind of Shares available for Awards under the Plan and the number and kind of Shares subject to a Restricted Period or other Restrictions or subject to Options in outstanding Awards and the Option Price or purchase price per Share thereof shall be appropriately adjusted consistent with such change in such manner as the Committee may deem equitable to prevent substantial

11

dilution or enlargement of the rights granted to, or available for, the Participants hereunder. Any adjustment of an Incentive Stock Option pursuant to this Section shall be made only to the extent not constituting a "modification" within the meaning of Section 424(h)(3) of the Code, unless the holder of such Option shall agree otherwise. The Committee shall give notice to each Participant of any adjustment made pursuant to this Section and, upon notice, such adjustment shall be effective and binding for all purposes of the Plan.

5.3 SUCCESSOR CORPORATION. The obligations of the Corporation under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Corporation, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Corporation. The Corporation agrees that it will make appropriate provision for the preservation of Participants' rights under the Plan in any agreement or plan which it may enter into or adopt to effect any such merger, consolidation, reorganization or transfer of assets.

5.4 NO CLAIM OR RIGHT UNDER THE PLAN. Neither the Plan nor any action taken thereunder shall be construed as giving any employee, consultant or advisor any right to be retained in the employ of or by the Corporation.

5.5 AWARDS NOT TREATED AS COMPENSATION UNDER BENEFIT PLANS. No Award shall be considered as compensation under any employee benefit plan of the Corporation, except as specifically provided in any such plan or as otherwise determined by the Board.

5.6 LISTING AND QUALIFICATION OF COMMON STOCK. The Corporation, in its discretion, may postpone the issuance or delivery of Common Stock upon any exercise of an Option or pursuant to an Award of Restricted Stock until completion of such stock exchange listing or other qualification of such shares under any state or federal law, rule or regulation as the Corporation may consider appropriate, and may require any Participant, Beneficiary or legal representative to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of the shares in compliance with applicable laws, rules and regulations.

5.7 WITHHOLDING TAXES. The Corporation may make such provisions and take such steps as it may deem necessary or appropriate for the withholding of all federal, state and local taxes required by law to be withheld with respect to Awards granted pursuant to the Plan including, but not limited to (i) accepting a remittance from the Participant in cash, or in the Committee's discretion in Mature Shares (ii) deducting the amount required to be withheld from any other amount then or thereafter payable by the Corporation or Subsidiary to a Participant, Beneficiary or legal representative or from any Shares due to the Participant under the Plan, (iii) requiring a Participant, Beneficiary or legal representative to pay to the Corporation the amount required to be withheld as a condition of releasing Common Stock or (iv) any combination of the foregoing. In addition, subject to such rules and regulations as the Committee shall from time to time establish, Participants shall be permitted to satisfy federal, state and local taxes, if any, imposed upon the payment of Awards in Common Stock at a rate up to such Participant's maximum marginal tax rate with respect to each such tax by (i) irrevocably electing to have the Corporation deduct from the number of Shares otherwise deliverable in payment of an Award such number of Shares as shall have a value equal to the amount of tax to be withheld, (ii) delivering to the Corporation such portion of the Common Stock delivered in payment of the Award as shall have a value equal to the amount of tax to be withheld, or (iii) delivering to the Corporation such number of Mature Shares or combination of Mature Shares and cash as shall have a value equal to the amount of tax to be withheld.

5.8 NON-TRANSFERABILITY/DESIGNATION AND CHANGE OF BENEFICIARY.

(a) An Award granted hereunder shall not be assignable or transferable other than by will or by the laws of descent and distribution and may be exercised during the Participant's lifetime only by the Participant or his

or her guardian or legal representative, except that, subject to Section 2.2(f) hereof, in respect of Incentive Stock Options, a Participant may, if permitted by the Committee, in its

12

discretion, transfer an Award, or any portion thereof, to one or more members of the Participant's Immediate Family.

(b) Each Participant shall file with the Committee a written designation of one or more persons as the Beneficiary who shall be entitled to receive the amount, if any, payable under the Plan upon his or her death. A Participant may, from time to time, revoke or change his or her Beneficiary designation without the consent of any prior Beneficiary by filing a new designation with the Committee. The last such designation received by the Committee shall be controlling; PROVIDED, HOWEVER, that no designation, or change or revocation thereof, shall be effective unless received by the Committee prior to the Participant's death, and in no event shall it be effective as of a date prior to such receipt.

5.9 PAYMENTS TO PERSONS OTHER THAN A PARTICIPANT. If the Committee shall find that any person to whom any amount is payable under the Plan is unable to care for his or her affairs because of illness or accident, or is a minor, or has died, then any payment due to such person or his or her estate (unless a prior claim therefor has been made by a duly appointed legal representative), may, if the Committee so directs the Corporation, be paid to his or her spouse, a child, a relative, an institution maintaining or having custody of such person, or any other person deemed by the Committee to be a proper recipient on behalf of such person otherwise entitled to payment. Any such payment shall be a complete discharge of the liability of the Committee and the Corporation therefor.

5.10 NO LIABILITY OF COMMITTEE MEMBERS. No member of the Committee shall be personally liable by reason of any contract or other instrument executed by such member or on his or her behalf in his or her capacity as a member of the Committee nor for any mistake of judgment made in good faith, and the Corporation shall indemnify and hold harmless each employee, officer or director of the Corporation to whom any duty or power relating to the administration or interpretation of the Plan may be allocated or delegated, against any cost or expense (including counsel fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with the Plan unless arising out of such person's own fraud or bad faith. The indemnification provided for in this Section 5.10 shall be in addition to any rights of indemnification such Committee member has as a director or officer pursuant to law, under the Certificate of Incorporation or By-Laws of the Corporation.

5.11 AMENDMENT OR TERMINATION. Except as to matters that in the opinion of the Corporation's legal counsel require stockholder approval, any provision of the Plan may be modified as to a Participant by an individual agreement approved by the Committee. The Board may, with prospective or retroactive effect, amend, suspend or terminate the Plan or any portion thereof at any time; PROVIDED, HOWEVER, that (i) no amendment that would materially increase the cost of the Plan to the Corporation may be made by the Board without the approval of the stockholders of the Corporation and (ii) no amendment, suspension or termination of the Plan shall deprive any Participant of any rights to Awards previously made under the Plan without his or her written consent. Subject to earlier termination pursuant to the provisions of this Section, and unless the stockholders of the Corporation shall have approved an extension of the Plan beyond such date, the Plan shall terminate and no further Awards shall be made under the Plan after the tenth (10th) anniversary of the Effective Date of the Plan specified in Section 5.15 hereof.

5.12 UNFUNDED PLAN. The Plan is intended to constitute an unfunded deferred compensation arrangement.

5.13 GOVERNING LAW. The Plan shall be governed by and construed in accordance with the laws of the State of Maryland, without reference to the principles of conflicts of law thereof.

5.14 NON-UNIFORM DETERMINATIONS. The Committee's determinations under the Plan need not be uniform and may be made by the Committee selectively among persons who receive, or are eligible to receive, Awards whether or not such persons are similarly situated. Without limiting the generality of the foregoing, the Committee shall be entitled, to enter into non-uniform and selective Award Agreements as

13

to (a) the identity of the Participant, (b) the terms and provisions of Awards, and (c) the treatment of termination of employment or consultancies.

5.15 EFFECTIVE DATE. The Plan is effective September 11, 2000.

5.16 NO ILLEGAL TRANSACTIONS. The Plan and all Awards granted pursuant to it are subject to all applicable laws and regulations. Notwithstanding any provision of the Plan or any Award, Participants shall not be entitled to

exercise or receive benefits under, any Award, and the Corporation shall not be obligated to deliver any Shares or deliver any benefits to a Participant, if such exercise or delivery would constitute a violation by the Participant or the Corporation of any applicable law or regulation.

5.17 SEVERABILITY. If any part of the Plan is declared by any court of governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any other part of the Plan. Any Section or part of a Section so declared to be unlawful or invalid shall, if possible, be construed in manner which will give effect to the terms of such Section to the fullest extent possible while remaining lawful and valid.

2000 DIRECTOR STOCK OPTION PLAN

SECTION 1. PURPOSE.

The purpose of the 2000 Director Stock Option Plan ("Plan") is to promote the growth and profitability of Mack-Cali Realty Corporation (the "Corporation") by providing directors and Advisory Board members of the Corporation, or its Subsidiaries if so designated, with an incentive to achieve corporate objectives, to attract and retain directors and Advisory Board members of outstanding competence and to provide such individuals with an equity interest in the Corporation. The Plan is intended to be construed as an employee benefit plan that satisfies the requirements for exemption from the restrictions of Section 16(b) of the Securities Exchange Act of 1934, as amended, pursuant to the applicable rules promulgated thereunder.

SECTION 2. DEFINITIONS.

The following definitions are applicable to the Plan:

2.1 ADMINISTRATIVE COMMITTEE.

"Administrative Committee" means the committee appointed pursuant to Section 3 hereof or, if no such committee is appointed, the Board.

2.2 ADVISORY BOARD.

"Advisory Board" shall mean the Advisory Board of the Corporation which was established in December 1997.

2.3 BENEFICIARY.

"Beneficiary" means the beneficiary or beneficiaries designated by a Participant in accordance with Section 7.8 hereof to receive the amount, if any, payable under the Plan upon the death of such Participant.

2.4 BOARD.

"Board" means the Board of Directors of the Corporation.

2.5 CAUSE.

"Cause" means termination for fraud or willful misconduct as determined by the Administrative Committee or the Board.

2.6 CODE.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

2.7 COMMON STOCK.

"Common Stock" means the shares of common stock, \$.01 par value per share, of the Corporation.

2.8 CORPORATION.

"Corporation" means Mack-Cali Realty Corporation.

1

2.9 DIRECTOR'S OPTION.

"Director's Option" means a Non-qualified Stock Option granted pursuant to Section 6.2 hereof.

2.10 DISABILITY.

"Disability" means a mental or physical condition rendering a Participant unable to perform his or her regular duties as determined by the Administrative Committee or the Board.

2.11 DISCRETIONARY OPTION.

"Discretionary Option" means a Non-qualified Stock Option granted pursuant to Section 6.3 hereof.

2.12 ELIGIBLE ADVISORY BOARD MEMBERS.

"Eligible Advisory Board Members" means non-employee members of the Advisory Board.

2.13 ELIGIBLE DIRECTORS.

"Eligible Directors" means a non-employee members of the Board. In addition, Eligible Director shall include any non-employee members of the Board of Directors of a Subsidiary of the Company, if and only if, and only to the extent, such Board of Directors is designated by the Board as eligible to participate in the Plan.

2.14 EXCHANGE ACT.

"Exchange Act" means the Securities Exchange Act of 1934, as amended. References to a particular section of, or rule under the Exchange Act include references to successor provisions.

2.15 FAIR MARKET VALUE.

"Fair Market Value" means the closing price as quoted on the New York Stock Exchange at the end of the last business day preceding the Grant Date or other date of determination as reported in the New York Edition of the WALL STREET JOURNAL.

2.16 INCENTIVE STOCK OPTION.

"Incentive Stock Option" means an option to purchase Common Stock that satisfies the requirements of Section 422 of the Code.

2.17 IMMEDIATE FAMILY.

"Immediate Family" means, with respect to a particular Participant, the Participant's spouse, children and grandchildren.

2.18 MATURE SHARES.

"Mature Shares" means Shares for which the holder thereof has good title, free and clear of all liens and encumbrances, and which such holder either (i) has held for at least six (6) months or (ii) has purchased from the open market.

2.19 NON-QUALIFIED STOCK OPTION.

"Non-qualified Stock Option" means an option to purchase Common Stock that does not qualify as an Incentive Stock Option.

2

2.20 OPTION.

"Option" means a Director's Option or Discretionary Option granted under the Plan.

2.21 OPTION AGREEMENT.

"Option Agreement" means the written agreement by which an Option shall be evidenced.

2.22 OPTION PRICE.

"Option Price" means the purchase price per Share of an Option.

2.23 OPTION TERM.

"Option Term" means the period beginning on the Grant Date of an Option and ending on the expiration date of such Option, as specified in the Option Agreement for such Option and as may, in the discretion of the Administrative Committee, and consistent with the provisions of the Plan, be extended from time to time.

2.24 PARTICIPANT.

"Participant" means an Eligible Director or Eligible Advisory Board Member who has been granted an Award or a Permitted Transferee.

2.25 PERMITTED TRANSFEREE.

"Permitted Transferee" means a person to whom an Option may be transferred or assigned in accordance with Section 7.8 hereof.

2.26 PLAN.

"Plan" means the 2000 Director Stock Option Plan, as the same may be amended from time to time.

2.27 RETIREMENT.

"Retirement" means separation from service as a director or member of the Advisory Board on or after age 65 or at such other time as the Board may designate.

2.28 RULE 16B-3.

"Rule 16b-3" means Rule 16b-3 of the SEC under the Exchange Act, as amended from time to time, together with any successor rule.

2.29 SEC.

"SEC" means the Securities and Exchange Commission.

2.30 SHARE.

"Share" means a share of Common Stock.

2.31 SUBSIDIARY.

"Subsidiary" means a corporation or other entity with respect which the Corporation (i) owns, directly or indirectly, fifty percent (50%) or more of the then outstanding common stock in any corporation or (ii) has a fifty percent (50%) or more ownership interest in any other entity.

3

SECTION 3. ADMINISTRATION.

The Plan shall be administered by a committee (the "Administrative Committee"), which shall consist of two or more directors of the Corporation, all of whom qualify as "Non-Employee Directors" as defined in Rule 16b-3 of the Exchange Act. The number of members of the Administrative Committee shall from time to time be increased or decreased, and shall be subject to such conditions, in each case as the Board deems appropriate to permit transactions in Shares pursuant to the Plan to satisfy such conditions of Rule 16b-3 as then in effect. In the event that the Compensation Committee of the Board (the "Compensation Committee") meets the requirements set forth in this Section 3 hereof, such Compensation Committee shall be the Administrative Committee hereunder unless otherwise determined by the Board.

A majority of the members of the Administrative Committee shall constitute a quorum. The Administrative Committee may act at a meeting, including a telephonic meeting, by action of a majority of the members present, or without a meeting by unanimous written consent.

Subject to the express provisions of the Plan, the Committee shall have full and final authority and discretion as follows:

- (i) select the Eligible Directors and Eligible Advisory Board Members entitled to receive Discretionary Options pursuant to Section 6.3 hereof;
- (ii) grant Discretionary Options to those Participants it selects in such amounts as it shall determine, subject to the terms and conditions of the Plan;
- (iii) determine the number of Shares to be covered by each Discretionary Option granted under the Plan and the time or times when and the manner in which such Discretionary Option shall be exercisable;
- (iv) to accelerate the exercisability (including exercisability within a period of less than one year after the Grant Date) of, and to accelerate or waive any or all of the terms and conditions applicable to, any Option or any group of Options for any reason and at any time, including in connection with a termination of service (other than for Cause);
- (v) subject to the provisions of the Plan, to extend the time during which any Option or group of Options may be exercised;
- (vi) to interpret the Plan and make all determinations necessary or advisable for the administration of the Plan including the establishment, amendment or revocation from time to time of guidelines or regulations for the administration of the Plan, to cause appropriate records to be established, and to make all determinations and take all other actions considered necessary or advisable for the administration of the Plan; and
- (vii) to take any other action with respect to any matters relating to the Plan for which it is responsible.

All decisions, actions or interpretations of the Administrative Committee on all matters relating to the Plan or any Option Agreement shall be final, binding and conclusive upon all parties. No member of the Administrative Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Option.

SECTION 4. PARTICIPATION.

4.1 DIRECTOR'S OPTIONS.

All Eligible Directors shall automatically be eligible to receive Director's Options under the Plan.

4

4.2 DISCRETIONARY OPTIONS.

The Administrative Committee, may, in its discretion grant Discretionary Options to any Eligible Director or Eligible Advisory Board Member, whether or not he or she has previously received an Option. No such Eligible Directors or Eligible Advisory Board Members shall at any time have the right to receive a Discretionary Option unless selected by the Administrative Committee pursuant to the Plan. No Participant, having been granted an Option, shall have the right to an additional Option in the future unless such Option is granted by the Administrative Committee.

SECTION 5. MAXIMUM NUMBER OF SHARES AVAILABLE FOR OPTIONS.

Subject to adjustment in accordance with Section 7.2 hereof, the maximum number of Shares for which grants under the Plan shall be available is 200,000. In the event any Options granted under the Plan shall be forfeited, terminate or expire, the number of Shares no longer subject to such Option, to the extent of such forfeiture, termination or expiration, shall thereafter again be available for grant under the Plan. The Common Stock distributed under the Plan may be authorized and unissued shares, shares held in the treasury of the Corporation, or shares purchased on the open market by the Corporation (at such time or times and in such manner as it may determine). The Corporation shall be under no obligation to acquire Common Stock for distribution to Participants before payment in Common Stock is due and distributable.

SECTION 6. GRANTS OF OPTIONS.

6.1 GENERAL CONDITIONS TO GRANTS.

The Grant Date of a Director's Option shall be the date on which the Eligible Director is initially elected or appointed to the Board and the Grant Date of a Discretionary Option shall be the date on which the Administrative Committee grants the Option or such later date as specified in advance by the Administrative Committee. All Options shall be evidenced by an Option Agreement and any terms and conditions of an Option not set forth in the Plan shall be set forth in the Option Agreement related to that Option. All Options granted under this Plan shall be Non-qualified Stock Options.

6.2 GRANT OF DIRECTORS' OPTIONS.

Each Eligible Director shall be granted, upon his or her initial election or appointment to the Board, a Non-qualified Stock Option to purchase 5,000 Shares (a "Director's Option"). The grant of a Director's Option shall not be subject to the discretion of the Administrative Committee.

6.3 GRANT OF DISCRETIONARY OPTIONS.

Subject to the limitations of the Plan, the Administrative Committee may, in its discretion, grant an Eligible Director or Eligible Advisory Board Member a Non-qualified Stock Option to purchase such amount of Shares as shall be determined by the Administrative Committee in its sole discretion (a "Discretionary Option"). A Discretionary Option granted under this Section 6.3 may be in addition to the Director's Option granted to an Eligible Director pursuant to Section 6.2 hereof.

6.4 TERMS AND CONDITIONS OF OPTIONS.

Except as otherwise provided in a Participant's Option Agreement, each Option granted under the Plan shall be subject to the following express terms and conditions and to such other terms and conditions consistent therewith as the Administrative Committee may deem appropriate.

(a) OPTION TERM. The Option Term for each Option granted under the Plan shall be ten (10) years and each Option shall automatically expire on the tenth (10th) anniversary of the Grant Date.

5

(b) OPTION PRICE. The Option Price of each Share as to which an Option may be exercised shall be the Fair Market Value of the Share of the Grant Date.

(c) EXERCISE OF OPTION. Except as otherwise provided under the Plan, no part of any Option may be exercised until the Participant shall have remained a member of the Board or Advisory Board, as the case may be, for the periods set forth below:

(i) DIRECTOR'S OPTIONS. One year from the Grant Date.

(ii) DISCRETIONARY OPTIONS. The period, if any, determined by the

Administrative Committee in its sole discretion.

(d) PAYMENT OF PURCHASE PRICE UPON EXERCISE. Each Option shall provide that the Option Price of the Shares as to which an Option shall be exercised shall be paid to the Corporation at the time of exercise either (i) in cash, certified check or wire transfer, or (ii) in such other consideration as the Administrative Committee deems appropriate including, but not limited to, loans from the Corporation or a third party, (iii) subject to approval of the Administrative Committee, in Mature Shares having a total fair market value, as determined by the Administrative Committee, equal to the Option Price for such Shares, or a combination of cash and Mature Shares having a total fair market value, as so determined, equal to the Option Price for such Shares, (iv) subject to the approval of the Administrative Committee, in its sole discretion, by delivering a properly executed exercise notice in a form approved by the Administrative Committee, together with an irrevocable notice of exercise and irrevocable instructions to a broker to promptly deliver to the Corporation the amount of applicable sale or loan proceeds sufficient to pay the purchase price for such Shares, together with the amount of federal, state and local withholding taxes payable by Participant by reason of such exercise or (v) any combination of the foregoing.

(e) EXERCISE IN THE EVENT OF DEATH, DISABILITY, RETIREMENT OR OTHER TERMINATION OF SERVICE. Subject to Subsection 6.4(f) hereof, the following provisions shall apply upon termination of a Participant's status as a member of the Board or Advisory Board:

(i) UPON TERMINATION DUE TO DEATH, DISABILITY OR RETIREMENT. If Participant's status as a member of the Board or the Advisory Board shall terminate because of his or her death, Disability or Retirement, the Participant, Beneficiary or legal representative shall have the right to exercise all Options regardless of whether such Options are vested, at any time and from time to time, but not later than (x) one year following the date of death or Disability, (ii) one year following the date of Retirement, or (iii) the expiration date specified in Section 6.4(a) hereof, whichever is earlier.

(ii) UPON TERMINATION FOR ANY REASON OTHER THAN DUE TO DEATH, DISABILITY, RETIREMENT OR FOR CAUSE. If a Participant's status as a member of the Board or Advisory Board shall terminate for any reason other than due to the Participant's death, Disability, Retirement or termination for Cause, such Participant shall have the right to exercise his or her Options, to the extent that such Participant shall have been entitled to do so on the date of such termination, at any time and from time to time, but not later than (i) on the expiration date specified in Section 6.4(a) hereof or (ii) three (3) months after the date of such termination of service, whichever date is earlier and the portion of any Option granted hereunder that is not vested and exercisable as of the date of such termination of service shall automatically expire and be forfeited as of the date of such termination of service.

(iii) UPON TERMINATION FOR CAUSE. If a Participant's status as a member of the Board or Advisory Board shall terminate for Cause, all Options regardless of whether such Options are vested or not shall be forfeited and canceled on the date of such termination.

6

(f) TRANSFER OF SERVICE FROM BOARD TO ADVISORY BOARD OR VICE VERSA. For purposes of determining the exercise period and vesting of Options granted hereunder, (i) a Participant who resigns as a member of the Board in order to become a member of the Advisory Board shall be deemed during his or her period of service as a member of the Advisory Board to be a continuing member of the Board and (ii) a Participant who resigns as a member of the Advisory Board in order to become a member of the Board shall be deemed during his or her period of service as a member of the Board to be a continuing member of the Advisory Board.

(g) TRANSFERABILITY OF OPTIONS. Subject to Section 7.8 hereof, no Options granted under the Plan shall be transferable other than by will or by the laws of descent and distribution. During the lifetime of the Participant, an Option shall be exercisable only by such Participant.

(h) PARTICIPANTS TO HAVE NO RIGHTS AS STOCKHOLDERS. No Participant shall have any rights as a stockholder with respect to any Common Stock subject to his or her Option prior to the date of issuance to him or her of such Common Stock.

(i) INVESTMENT REPRESENTATION. Each Option Agreement for an Option shall provide that, upon demand by the Administrative Committee for such a representation, the Participant (or any person acting under Subsection 6.4(e) hereof) shall deliver to the Administrative Committee, at the time of any exercise of an Option or portion thereof, a written representation

that the Shares to be acquired upon such exercise are to be acquired for investment and not for resale or with a view to the distribution thereof. Upon such demand, delivery of such representation prior to the delivery of any Common Stock issued upon exercise of an Option and prior to the expiration of the Option Term shall be a condition precedent to the right of the Participant or such other person to purchase any Common Stock. In the event certificates for Common Stock are delivered under the Plan with respect to which such an investment representation has been obtained, the Administrative Committee may cause a legend or legends to be placed on such certificates to make appropriate reference to such representations and to restrict transfer in the absence of compliance with applicable federal or state securities laws.

- (j) OTHER OPTION PROVISIONS. The Administrative Committee may require a Participant to agree, as a condition to receiving an Option under the Plan, that part or all of any Options previously granted to such Participant under the Plan be terminated.

6.5 EXERCISE OF OPTIONS.

An Option shall be exercised by the delivery to the Corporation during the Option Term of (x) written notice of intent to purchase a specific number of Shares subject to the Option and (y) payment in full of the Option Price of such specific number of Shares.

SECTION 7. GENERAL PROVISIONS.

7.1 GENERAL CREDITOR STATUS.

Participants shall have no right, title, or interest whatsoever in or to any investments which the Corporation may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Corporation and any Participant, Beneficiary, legal representative or any other person. To the extent that any person acquires a right to receive payments from the Corporation under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Corporation. All payments to be made hereunder shall be paid from the general funds of the Corporation and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts except as expressly set forth in the Plan; PROVIDED, HOWEVER, that in its sole discretion, the Administrative Committee may authorize the creation of trusts or other arrangements to

7

meet the obligations created under the Plan to deliver Common Stock; PROVIDED, FURTHER, HOWEVER, that, unless the Administrative Committee otherwise determines with the consent of the affected Participant, the existence of such trusts or other arrangements shall be consistent with the "unfunded" status of the Plan.

7.2 CERTAIN ADJUSTMENTS TO SHARES.

In the event of any change in the Common Stock by reason of any stock dividend, recapitalization, reorganization, spin-off, split-off, merger, consolidation, stock split, reverse stock split, combination or exchange of shares, or any rights offering to purchase Common Stock at a price substantially below fair market value, or of any similar change affecting the Common Stock of or by the Corporation, the number and kind of Shares available for Options under the Plan and the Option Price per Share thereof shall be appropriately adjusted consistent with such change in such manner as the Administrative Committee may deem equitable to prevent substantial dilution or enlargement of the rights granted to, or available for, the Participants hereunder. The Administrative Committee shall give notice to each Participant of any adjustment made pursuant to this Section and, upon notice, such adjustment shall be effective and binding for all purposes of the Plan.

7.3 SUCCESSOR CORPORATION.

The obligations of the Corporation under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Corporation, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Corporation. The Corporation agrees that it will make appropriate provision for the preservation of Participants' rights under the Plan in any agreement or plan which it may enter into or adopt to effect any such merger, consolidation, reorganization or transfer of assets.

7.4 NO CLAIM OR RIGHT UNDER THE PLAN.

Neither the Plan nor any action taken thereunder shall be construed as giving any director or Advisory Board member any right to a continuation of membership on the Board or the Advisory Board, as applicable.

7.5 OPTIONS NOT TREATED AS COMPENSATION UNDER BENEFIT.

No Option shall be considered as compensation under any employee benefit plan of the Corporation, except as specifically provided in any such plan or as otherwise determined by the Board.

7.6 LISTING AND QUALIFICATION OF COMMON STOCK.

The Corporation, in its discretion, may postpone the issuance or delivery of Common Stock upon any exercise of an Option until completion of such stock exchange listing or other qualification of such shares under any state or federal law, rule or regulation as the Corporation may consider appropriate, and may make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of the Shares in compliance with applicable laws, rules and regulations.

7.7 WITHHOLDING TAXES.

The Corporation may make such provisions and take such steps as it may deem necessary or appropriate for the withholding of all federal, state and local taxes required by law to be withheld with respect to Options granted pursuant to the Plan including, but not limited to (i) accepting a remittance from the Participant in cash, or in the Administrative Committee's discretion in Mature Shares, (ii) deducting the amount required to be withheld from any other amount then or thereafter payable by the Corporation to a Participant, Beneficiary or legal representative or from any Shares due to the Participant

8

under the Plan, (iii) requiring a Participant, Beneficiary or legal representative to pay to the Corporation the amount required to be withheld as a condition of releasing Common Stock or (iv) any combination of the foregoing. In addition, subject to such rules and regulations as the Administrative Committee shall from time to time establish, Participants shall be permitted to satisfy federal, state and local taxes, if any, imposed upon the payment of Options in Common Stock at a rate up to such Participant's maximum marginal tax rate with respect to each such tax by (i) irrevocably electing to have the Corporation deduct from the number of Shares otherwise deliverable in payment of an Option such number of Shares as shall have a value equal to the amount of tax to be withheld, (ii) delivering to the Corporation such portion of the Common Stock delivered in payment of the Option as shall have a value equal to the amount of tax to be withheld, or (iii) delivering to the Corporation such number of Mature Shares or combination of Mature Shares and cash as shall have a value equal to the amount of tax to be withheld.

7.8 NON-TRANSFERABILITY/DESIGNATION AND CHANGE OF BENEFICIARY.

(a) An Option granted hereunder shall not be assignable or transferable other than by will or by the laws of descent and distribution and may be exercised during the Participant's lifetime only by the Participant or his or her guardian or legal representative, except that a Participant may, if permitted by the Administrative Committee, in its discretion, transfer an Option, or portion thereof, to one or more members of the Participant's Immediate Family.

(b) Each Participant shall file with the Administrative Committee a written designation of one or more persons as the Beneficiary who shall be entitled to receive the amount, if any, payable under the Plan upon his or her death. A Participant may, from time to time, revoke or change his or her Beneficiary by filing a new designation with the Administrative Committee. The last such designation received by the Administrative Committee shall be controlling; PROVIDED, HOWEVER, that no designation, or change or revocation thereof, shall be effective unless received by the Administrative Committee prior to the Participants' death, and in no event shall it be effective as of a date prior to such receipt.

7.9 PAYMENTS TO PERSONS OTHER THAN A PARTICIPANT.

If the Administrative Committee shall find that any person to whom any amount is payable under the Plan is unable to care for his or her affairs because of illness or accident, or is a minor, or has died, then any payment due to such person or his or her estate (unless a prior claim therefor has been made by a duly appointed legal representative), may, if the Administrative Committee so direct the Corporation, be paid to his or her spouse, a child, a relative, an institution maintaining or having custody of such person, or any other person deemed by the Administrative Committee to be a proper recipient on behalf of such person otherwise entitled to payment. Any such payment shall be a complete discharge of the liability of the Administrative Committee and the Corporation thereof.

7.10 NO LIABILITY OF ADMINISTRATIVE COMMITTEE MEMBERS.

No member of the Administrative Committee shall be personally liable by reason of any contract or other instrument executed by such member or on his or her behalf in his or her capacity as a member of the Administrative Committee nor for any mistake of judgment made in good faith, and the Corporation shall indemnify and hold harmless each employee, officer or director of the Corporation to whom any duty or power relating to the administration or

interpretation of the Plan may be allocated or delegated, against any cost or expense (including counsel fees) or liability (including any sum paid in settlement of a claim with the approval of the Board of Directors) arising out of any act or omission to act in connection with the Plan unless arising out of such person's own fraud or bad faith. The indemnification provided for in this Section 7.10 shall be in addition to any rights of indemnification such Administration Committee member has as a director of officer pursuant to law, under the Certificate of Incorporation or By-Laws of the Corporation.

9

7.11 AMENDMENT OR TERMINATION.

Except as to matters that in the opinion of the Corporation's legal counsel require stockholder approval, any provision of the Plan may be modified as to a Participant by an individual agreement approved by the Administrative Committee. The Board may, with prospective or retroactive effect, amend, suspend or terminate the Plan or any portion thereof at any time; PROVIDED, HOWEVER, that (i) no amendment that would materially increase the cost of the Plan to the Corporation may be made by the Board without the approval of the stockholders of the Corporation and (ii) no amendment, suspension or termination of the Plan shall deprive any Participant of any rights to Options previously made under the Plan without his or her written consent. Subject to earlier termination pursuant to the provisions of this Section, and unless the stockholders of the Corporation shall have approved an extension of the Plan beyond such date, no further Options shall be made under the Plan after the tenth (10th) anniversary of the Effective Date of the Plan specified in Section 7.15 hereof.

7.12 UNFUNDED PLAN.

The Plan is intended to constitute an unfunded deferred compensation arrangement.

7.13 GOVERNING LAW.

The Plan shall be governed by and construed in accordance with the laws of the State of Maryland, without reference to the principles of conflicts of law thereof.

7.14 NON-UNIFORM DETERMINATIONS.

The Administrative Committee's determinations under the Plan need not be uniform and may be made by the Administrative Committee selectively among persons who receive, or are eligible to receive Discretionary Options, whether or not such persons are similarly situated. Without limiting the generality of the foregoing, the Administrative Committee shall be entitled, to enter into non-uniform and selective Option Agreements as to (a) the identity of the Participant, (b) the terms and provisions of Options, and (c) the treatment of termination of service.

7.15 EFFECTIVE DATE.

The Plan is effective September 11, 2000.

7.16 NO ILLEGAL TRANSACTIONS.

The Plan and all Options granted pursuant to it are subject to all applicable laws and regulations. Notwithstanding any provision of the Plan or any Option, Participants shall not be entitled to exercise or receive benefits under, any Option, and the Corporation shall not be obligated to deliver any Shares or deliver any benefits to a Participant, if such exercise or delivery would constitute a violation by the Participant or the Corporation of any applicable law or regulation.

7.17 SEVERABILITY.

If any part of the Plan is declared by any court of governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any other part of the Plan. Any Section or part of a Section so declared to be unlawful or invalid shall, if possible, be construed in manner which will give effect to the terms of such Section to the fullest extent possible while remaining lawful and valid.

10

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated February 22, 2000 relating to the consolidated financial statements appearing in the 1999 Annual Report to Shareholders of Mack-Cali Realty Corporation, which is incorporated by reference in the Mack-Cali Realty Corporation Annual Report on form 10-K, as amended by Form 10-K/A, for the year ended December 31, 1999. We also consent to the incorporation by reference of our report dated February 22, 1999 relating to the financial statement schedule which appears in such Annual Report on Form 10-K, as amended by Form 10-K/A. Furthermore, we consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

PRICEWATERHOUSECOOPERS LLP

New York, New York
December 20, 2000