

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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

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

COMMISSION FILE NUMBER: 1-13274

MACK-CALI REALTY CORPORATION

(Exact Name of Registrant as specified in its charter)

MARYLAND

22-3305147

(State or other jurisdiction of
incorporation or organization)

(IRS Employer
Identification No.)

11 COMMERCE DRIVE, CRANFORD, NEW JERSEY

07016-3599

(Address of principal executive offices)

(Zip code)

(908) 272-8000

(Registrant's telephone number, including area code)

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

(Title of Each Class)

(Name of Each Exchange on Which Registered)

COMMON STOCK, \$0.01 PAR VALUE

NEW YORK STOCK EXCHANGE
PACIFIC EXCHANGE

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

None

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K.

As of February 15, 2001, the aggregate market value of the voting stock held by non-affiliates of the registrant was \$1,546,641,953. The aggregate market value was computed with references to the closing price on the New York Stock Exchange on such date. This calculation does not reflect a determination that persons are affiliates for any other purpose.

As of February 15, 2001, 56,924,613 shares of common stock, \$0.01 par value, of the Company ("Common Stock") were outstanding.

LOCATION OF EXHIBIT INDEX: The index of exhibits is contained in Part IV herein on page number 57.

DOCUMENTS INCORPORATED BY REFERENCE: Portions of the registrant's definitive proxy statement to be issued in conjunction with the registrant's annual meeting of shareholders to be held on May 15, 2001 are incorporated by reference in Part III of this Form 10-K.

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PART I

ITEM 1. BUSINESS

GENERAL

Mack-Cali Realty Corporation, a Maryland corporation (together with its subsidiaries, the "Company"), is a fully-integrated, self-administered and self-managed real estate investment trust ("REIT") that owns and operates a real estate portfolio comprised predominantly of Class A office and office/flex properties located primarily in the Northeast. The Company performs substantially all commercial real estate leasing, management, acquisition, development and construction services on an in-house basis. Mack-Cali Realty Corporation was incorporated on May 24, 1994. The Company's executive offices are located at 11 Commerce Drive, Cranford, New Jersey 07016, and its telephone number is (908) 272-8000. The Company has an internet website at www.mack-cali.com.

As of December 31, 2000, the Company owned or had interests in 267 properties, aggregating approximately 28.2 million square feet (collectively, the "Properties"), plus developable land. The Properties are comprised of: (a) 255 wholly-owned or Company-controlled properties consisting of 155 office buildings and 87 office/flex buildings totaling approximately 26.3 million square feet, six industrial/warehouse buildings totaling approximately 387,400 square feet, two multi-family residential complexes consisting of 451 units, two stand-alone retail properties and three land leases (collectively, the "Consolidated Properties"); and (b) eight office buildings and four office/flex buildings aggregating 1.5 million square feet, owned by unconsolidated joint ventures in which the Company has investment interests. Unless otherwise indicated, all references to square feet represent net rentable area. As of December 31, 2000, the office, office/flex and industrial/warehouse properties included in the Consolidated Properties were approximately 96.8 percent leased to over 2,400 tenants. The Properties are located in 11 states, primarily in the Northeast, plus the District of Columbia.

The Company's strategy has been to focus its acquisition, operation and development of office properties in markets and sub-markets where it believes it is, or can become, a significant and preferred owner and operator. The Company will continue this strategy by expanding, through acquisitions and/or development, in Northeast markets and sub-markets where it has, or can achieve, similar status. The Company believes that its Properties have excellent locations and access and are well-maintained and professionally managed. As a result, the Company believes that its Properties attract high quality tenants and achieve among the highest rental, occupancy and tenant retention rates within their markets. Management believes that the recent

trend towards increasing rental rates in the Company's sub-markets continues to present opportunities for internal growth. Management also believes that its extensive market knowledge provides the Company with a significant competitive advantage which is further enhanced by its strong reputation for, and emphasis on, delivering highly responsive, professional management services. See "Business Strategies".

As of December 31, 2000, executive officers and directors of the Company and their affiliates owned approximately 10.9 percent of the Company's outstanding shares of Common Stock (including Units redeemable or convertible into shares of Common Stock). As used herein, the term "Units" refers to limited partnership interests in Mack-Cali Realty, L.P., a Delaware limited partnership ("Operating Partnership"), through which the Company conducts its real estate activities. The Company's executive officers have been employed by the Company and/or its predecessor companies for an average of approximately 13 years.

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BUSINESS STRATEGIES

OPERATIONS

REPUTATION: The Company has established a reputation as a highly-regarded landlord with an emphasis on delivering quality tenant services in buildings it owns and/or manages. The Company believes that its continued success depends in part on enhancing its reputation as an operator of choice, which will facilitate the retention of current tenants and the attraction of new tenants. The Company believes it provides a superior level of service to its tenants, which should in turn create higher than average occupancy rates, as well as lower than average turnover.

COMMUNICATION WITH TENANTS: The Company emphasizes frequent communication with tenants to ensure first-class service to the Properties. Property managers generally are located on site at the Properties to provide convenient access to management and to ensure that the Properties are well-maintained. Property management's primary responsibility is to ensure that buildings are operated at peak efficiency in order to meet both the Company's and tenants' needs and expectations. Property managers additionally budget and oversee capital improvements and building system upgrades to enhance the Properties' competitive advantages in their markets.

Additionally, the Company's in-house leasing representatives develop and maintain long-term relationships with the Company's diverse tenant base and coordinate leasing, expansion, relocation and build-to-suit opportunities within the Company's portfolio. This approach allows the Company to offer office space in the appropriate size and location to current or prospective tenants in any of its sub-markets.

GROWTH

The Company plans to continue to own and operate a portfolio of properties in high-barrier-to-entry markets, with a primary focus in the Northeast and a presence in California. The Company's primary objectives are to maximize funds from operations and to enhance the value of its portfolio through effective management, acquisition, development and property sales strategies, as follows:

INTERNAL GROWTH: The Company seeks to maximize the value of its existing portfolio through implementing operating strategies designed to produce increased effective rental and occupancy rates and decreased tenant installation costs. The Company believes that it has opportunity for internal growth through re-leasing space at higher effective rents with contractual rent increases and developing or redeveloping space for its diverse base of high credit tenants, including AT&T Corporation, Allstate Insurance Company and IBM Corporation. In addition, the Company's management seeks volume discounts to take advantage of the Company's size and dominance in particular sub-markets, and operating efficiencies through the use of in-house management, leasing, marketing, financing, accounting, legal, development and construction functions. The Company believes that the combination of these factors should allow the Company continued internal growth over the next several years.

ACQUISITIONS: The Company also believes that growth opportunities exist through acquiring operating properties or properties for redevelopment with attractive returns in its core Northeast sub-markets where, based on its expertise in leasing, managing and operating properties, it believes it is, or can become, a significant and preferred owner and operator. The Company intends to acquire, invest in or redevelop additional properties that: (i) provide attractive initial yields with potential for growth in cash flow from operations; (ii) are well-located, of high quality and competitive in their respective sub-markets; (iii) are located in its existing sub-markets or in sub-markets in which the Company can become a significant and preferred owner or operator; and (iv) have been under-managed or are otherwise capable of improved performance through intensive management, capital improvements

and/or leasing that will result in increased occupancy and rental revenues.

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DEVELOPMENT: The Company, directly or through joint ventures, is underway on the construction of eight office and office/flex buildings. The most significant development activity is currently at the Company's Harborside Financial Center office complex in Jersey City, New Jersey. Three of the eight properties currently under construction are located at the complex and consist of two office towers, aggregating approximately 1.6 million square feet, and a 350-room Hyatt Regency hotel. The Company also recently completed and placed in service a 185,000 square-foot office/ 1,100 space parking garage project at Harborside. See "Liquidity and Capital Resources - Capitalization."

Additionally, the Company may selectively develop additional properties where it believes such development will result in a favorable risk-adjusted return on investment in coordination with the above operating strategies. Such development primarily will occur: (i) when leases have been executed prior to construction; (ii) in stable core Northeast sub-markets where the demand for such space exceeds available supply; and (iii) where the Company is, or can become, a significant and preferred owner and operator.

PROPERTY SALES: As part of its focused strategy, the Company plans to sell substantially all of its properties located in the Southwestern and Western regions, using such proceeds primarily to invest in property acquisitions and development projects in its core Northeast markets. Additionally, while management's principal intention is to own and operate its properties on a long-term basis, it is constantly assessing the attributes of each of its properties, with a particular focus on the supply and demand fundamentals of the sub-markets in which they are located. Based on these ongoing assessments, the Company may, from time to time, decide to sell any of its properties.

FINANCIAL

The Company currently intends to maintain a ratio of debt-to-undepreciated assets (total debt of the Company as a percentage of total undepreciated assets) of approximately 50 percent or less. As of December 31, 2000, the Company's total debt constituted approximately 40.9 percent of total undepreciated assets of the Company. The Company has three investment grade credit ratings. Standard & Poor's Rating Services ("S&P") and Fitch, Inc. ("Fitch") have each assigned their BBB rating to existing and prospective senior unsecured debt of the Operating Partnership. S&P and Fitch have also assigned their BBB- rating to prospective preferred stock offerings of the Company. Moody's Investors Service has assigned its Baa3 rating to existing and prospective senior unsecured debt of the Operating Partnership and its Ba1 rating to prospective preferred stock offerings of the Company. Although there is no limit in the Company's organizational documents on the amount of indebtedness that the Company may incur or the requirement for maintenance of investment grade credit ratings, the Company has entered into certain financial agreements which contain covenants that limit the Company's ability to incur indebtedness under certain circumstances. The Company intends to conduct its operations in order to maintain its investment grade rated status. The Company intends to utilize the most appropriate sources of capital for future acquisitions, development, capital improvements and other investments, which may include funds from operating activities, proceeds from property sales, short-term and long-term borrowings (including draws on the Company's revolving credit facilities), and the issuance of additional debt or equity securities.

EMPLOYEES

As of December 31, 2000, the Company had over 400 employees.

COMPETITION

The leasing of real estate is highly competitive. The Properties compete for tenants with lessors and developers of similar properties located in its respective markets primarily on the basis of location, rent charged, services provided, and the design and condition of the Properties. The Company also experiences competition when attempting to acquire desirable real estate, including competition from domestic and foreign financial institutions, other REITs, life insurance companies, pension trusts, trust funds, partnerships and individual investors.

REGULATIONS

Many laws and governmental regulations are applicable to the Properties and changes in these laws and regulations, or their interpretation by agencies and the courts, occur frequently.

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Under various laws and regulations relating to the protection of the environment, an owner of real estate may be held liable for the costs of removal or remediation of certain hazardous or toxic substances located on or in the property. These laws often impose liability without regard to whether the owner was responsible for, or even knew of, the presence of such substances. The presence of such substances may adversely affect the owner's ability to rent or sell the property or to borrow using such property as collateral and may expose it to liability resulting from any release of, or exposure to, such substances. Persons who arrange for the disposal or treatment of hazardous or toxic substances at another location may also be liable for the costs of removal or remediation of such substances at the disposal or treatment facility, whether or not such facility is owned or operated by such person. Certain environmental laws impose liability for release of asbestos-containing materials into the air, and third parties may also seek recovery from owners or operators of real properties for personal injury associated with asbestos-containing materials and other hazardous or toxic substances.

In connection with the ownership (direct or indirect), operation, management and development of real properties, the Company may be considered an owner or operator of such properties or as having arranged for the disposal or treatment of hazardous or toxic substances and, therefore, potentially liable for removal or remediation costs, as well as certain other related costs, including governmental penalties and injuries to persons and property.

There can be no assurance that (i) future laws, ordinances or regulations will not impose any material environmental liability, (ii) the current environmental condition of the Properties will not be affected by tenants, by the condition of land or operations in the vicinity of the Properties (such as the presence of underground storage tanks), or by third parties unrelated to the Company, or (iii) the Company's assessments reveal all environmental liabilities and that there are no material environmental liabilities of which the Company is aware. If compliance with the various laws and regulations, now existing or hereafter adopted, exceeds the Company's budgets for such items, the Company's ability to make expected distributions to stockholders could be adversely affected.

There are no other laws or regulations which have a material effect on the Company's operations, other than typical federal, state and local laws affecting the development and operation of real property, such as zoning laws.

INDUSTRY SEGMENTS

The Company operates in only one industry segment - real estate. The Company does not have any foreign operations and its business is not seasonal.

RECENT DEVELOPMENTS

The Company's funds from operations (after adjustment for straight-lining of rents and non-recurring charges) for the year ended December 31, 2000 was \$262.1 million as compared to \$244.2 million for the year ended December 31, 1999. As a result of the Company's improved operating performance, the Company announced, in September 2000, a 5.2 percent increase in its quarterly dividend, commencing with the Company's dividend with respect to the third quarter of 2000, from \$0.58 per share of Common Stock (\$2.32 per share of Common Stock on an annualized basis) to \$0.61 per share of Common Stock (\$2.44 per share of Common Stock on an annualized basis). The Company declared a cash dividend of \$0.61 per share on December 20, 2000 to shareholders of record as of January 4, 2001, with respect to the fourth quarter of 2000. The dividend was paid on January 22, 2001. The Company has increased its quarterly dividend for six consecutive years representing an increase of 51.1 percent over the period.

In 2000, the Company:

- acquired five operating properties aggregating 702,876 square feet at a total cost of approximately \$91.9 million;
- placed in service two properties aggregating 339,680 square feet at a total cost of approximately \$78.9 million;
- acquired two developable land parcels at a total cost of approximately \$18.3 million; and
- sold five properties, aggregating 1,759,009 square feet, and a vacant land parcel for aggregate net sales proceeds of approximately \$293.6 million.

Additionally, the Company, through unconsolidated joint ventures, placed in service six office and office/flex buildings aggregating 317,041 square feet.

OPERATING PROPERTY ACQUISITIONS

The Company acquired the following operating properties during the year ended December 31, 2000:

<TABLE> <CAPTION>					

Investment by Acquisition (a)			# of	Rentable	Company
Date	Property/Portfolio Name	Location	Bldgs.	Square Feet	(IN
THOUSANDS)					

<S>	<C>	<C>	<C>	<C>	<C>
OFFICE					
5/23/00	555 & 565 Taxter Road	Elmsford, Westchester County, NY	2	341,108	\$ 42,980
6/14/00	Four Gatehall Drive	Parsippany, Morris County, NJ	1	248,480	42,381
TOTAL OFFICE PROPERTY ACQUISITIONS:			3	589,588	\$ 85,361

OFFICE/FLEX					
3/24/00	Two Executive Drive (b)	Moorestown, Burlington County, NJ	1	60,800	\$ 4,007
7/14/00	915 North Lenola Road (b)	Moorestown, Burlington County, NJ	1	52,488	2,542
TOTAL OFFICE/FLEX PROPERTY ACQUISITION:			2	113,288	\$ 6,549

TOTAL OPERATING PROPERTY ACQUISITIONS:			5	702,876	\$ 91,910
=====					

</TABLE>

PROPERTIES PLACED IN SERVICE

The Company placed in service the following properties through the completion of development during the year ended December 31, 2000:

<TABLE> <CAPTION>					

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

<S>	<C>	<C>	<C>	<C>	<C>
OFFICE					
9/01/00	Harborside Plaza 4-A (c)	Jersey City, Hudson County, NJ	1	207,670	\$ 61,459
9/15/00	Liberty Corner Corp. Center	Bernards Township, Somerset County, NJ	1	132,010	17,430
TOTAL PROPERTIES PLACED IN SERVICE:			2	339,680	\$ 78,889
=====					

</TABLE>

- (a) Transactions were funded primarily from net proceeds received in the sale or sales of rental property.
- (b) The properties were acquired through the exercise of a purchase option obtained in the initial acquisition of the McGarvey portfolio in January 1998.
- (c) Project includes seven-story, 1,100-car parking garage.
- (d) Unless otherwise noted, transactions were funded primarily through draws on the Company's credit facilities, and amounts presented are as of December 31, 2000.

LAND ACQUISITIONS

On January 13, 2000, the Company acquired approximately 12.7 acres of developable land located at the Company's Airport Business Center, Lester, Delaware County, Pennsylvania. The land was acquired for approximately \$2.1 million.

On August 24, 2000, the Company entered into a joint venture with SJP Properties Company ("SJP Properties") to form MC-SJP Morris V Realty, LLC and MC-SJP Morris VI Realty, LLC, which acquired approximately 47.5 acres of developable land located in Parsippany, Morris County, New Jersey. The land was acquired for approximately \$16.2 million. The Company accounts for the joint venture on a consolidated basis.

PROPERTY SALES

The Company sold the following properties during the year ended December 31, 2000:

<TABLE>

Caption

				NET SALES	NET BOOK	
GAIN/ SALE (LOSS)		# OF	RENTABLE	PROCEEDS	VALUE	
DATE	PROPERTY NAME	BLDGS.	SQUARE FEET	(IN THOUSANDS)	(IN THOUSANDS)	
(IN THOUSANDS)	LOCATION					
<S>	<C>	<C>	<C>	<C>	<C>	
<C>						
LAND:						
02/25/00	Horizon Center Land		Hamilton Township, Mercer County, NJ	-- 39.1 acres	\$ 4,180	\$ 1,932
\$ 2,248						
OFFICE:						
04/17/00	95 Christopher Columbus Dr	1	Jersey City, Hudson County, NJ	621,900	148,222	80,583
67,639						
04/20/00	6900 IH-40 West	1	Amarillo, Potter County, TX	71,771	1,467	1,727
(260)						
06/09/00	412 Mt. Kemble Avenue	1	Morris Twp., Morris County, NJ	475,100	81,981	75,439
6,542						
09/21/00	Cielo Center	1	Austin, Travis County, TX	270,703	45,785	35,749
10,036						
11/15/00	210 South 16th Street (1)	1	Omaha, Douglas County, NE	319,535	11,976	12,828
(852)						

TOTALS:		5	1,759,009	\$293,611	\$208,258	
\$85,353						

</TABLE>

(1) In connection with the sale of the Omaha, Nebraska property, the Company provided to the purchaser an \$8.8 million mortgage loan bearing interest payable monthly at an annual rate of 9.50 percent. The loan is secured by the Omaha, Nebraska property and will mature on November 14, 2003.

OTHER EVENTS

On June 27, 2000, William L. Mack was appointed Chairman of the Board of Directors and John J. Cali was named Chairman Emeritus of the Board of Directors. Brant Cali resigned as Executive Vice President, Chief Operating Officer and Assistant Secretary of the Company and as a member of the Board of Directors, and John R. Cali resigned as Executive Vice President, Development of the Company. John R. Cali was appointed to the Board of Directors of the Company to take the seat previously held by Brant Cali. See Note 3 to the Financial Statements.

On September 21, 2000, the Company and Prentiss Properties Trust, a Maryland REIT ("Prentiss"), mutually agreed to terminate the agreement and plan of merger ("Merger Agreement") dated as of June 27, 2000, among the Company, the Operating Partnership, Prentiss and Prentiss Properties Acquisition Partners, L.P., a Delaware limited partnership of which Prentiss (through a wholly-owned direct subsidiary) is the sole general partner ("Prentiss Partnership"). In connection with such termination, the Company deposited \$25.0 million into escrow for the benefit of Prentiss and Prentiss Partnership. Simultaneous with the termination, the Company sold to Prentiss its 270,703 square-foot Cielo Center property located in Austin, Travis County, Texas, and recognized a gain on the sale of approximately \$10.0 million.

FINANCING ACTIVITY

ISSUANCES OF SENIOR UNSECURED NOTES

On December 21, 2000, the Operating Partnership issued \$15.0 million of 7.835

percent senior unsecured notes due December 15, 2010 with interest payable semi-annually in arrears. The total proceeds from the issuance (net of selling commissions) of approximately \$14.9 million were used primarily to pay down outstanding borrowings under the Prudential Facility, as defined in Note 9 to the Financial Statements.

In January 2001, the Operating Partnership issued \$300.0 million face amount of 7.75 percent senior unsecured notes due February 15, 2011 with interest payable semi-annually in arrears. The total proceeds from the issuance (net of selling commissions and discount) of approximately \$296.3 million were used to pay down outstanding borrowings under the 2000 Unsecured Facility, as defined below. The senior unsecured notes were issued at a discount of approximately \$1.7 million.

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REVOLVING CREDIT FACILITY

On June 22, 2000, the Company obtained an unsecured revolving credit facility ("2000 Unsecured Facility") with a current borrowing capacity of \$800.0 million from a group of 24 lenders. The interest rate on outstanding borrowings under the credit line is currently the London Inter-Bank Offered Rate ("LIBOR") plus 80 basis points. The Company may instead elect an interest rate representing the higher of the lender's prime rate or the Federal Funds rate plus 50 basis points. The 2000 Unsecured Facility also requires a 20 basis point facility fee on the current borrowing capacity payable quarterly in arrears. In the event of a change in the Company's unsecured debt rating, the interest rate and facility fee will be changed on a sliding scale. Subject to certain conditions, the Company has the ability to increase the borrowing capacity of the credit line up to \$1.0 billion. The 2000 Unsecured Facility matures in June 2003, with an extension option of one year, which would require a payment of 25 basis points of the then borrowing capacity of the credit line upon exercise.

STOCK REPURCHASES

On August 6, 1998, the Board of Directors of the Company authorized a share repurchase program ("Repurchase Program") under which the Company was permitted to purchase up to \$100.0 million of the Company's outstanding common stock. Under the Repurchase Program, the Company purchased for constructive retirement 1,869,200 shares of its outstanding common stock for an aggregate cost of approximately \$52.6 million through September 12, 2000.

On September 13, 2000, the Board of Directors authorized an increase to the Repurchase Program under which the Company is permitted to purchase up to an additional \$150.0 million of the Company's outstanding common stock above the \$52.6 million that had previously been purchased. From that date through February 15, 2001 the Company purchased for constructive retirement 2,098,300 shares of its outstanding common stock for an aggregate cost of approximately \$57.5 million under the Repurchase Program. The Company has authorization to repurchase up to an additional \$92.5 million of its outstanding common stock which it may repurchase from time to time in open market transactions at prevailing prices or through privately negotiated transactions.

RISK FACTORS

Our results from operations and ability to make distributions on our equity and debt service on our indebtedness may be affected by the risk factors set forth below. All investors should consider the following risk factors before deciding to purchase securities of the Company. The Company refers to itself as "we" or "our" in the following risk factors and in Item 7 - "Management's Discussion and Analysis of Financial Condition and Results of Operations - Disruption in Operations Due to Year 2000 Problems".

WE ARE DEPENDENT UPON THE ECONOMICS OF THE NORTHEASTERN OFFICE MARKETS.

A majority of our revenues are derived from our properties located in the Northeast, particularly in New Jersey, New York, Pennsylvania and Connecticut. Adverse economic developments in this region could adversely impact the operations of our properties and, therefore, our profitability. Because our portfolio consists primarily of office and office/flex buildings (as compared to a more diversified real estate portfolio), a decline in the economy and/or a decline in the demand for office space may adversely affect our ability to make distributions or payments to our investors.

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OUR PERFORMANCE IS SUBJECT TO RISKS ASSOCIATED WITH THE REAL ESTATE INDUSTRY.

GENERAL: Our ability to make distributions or payments to our investors depends on the ability of our properties to generate funds in excess of operating expenses (including scheduled principal payments on debt and capital expenditure requirements). Events or conditions that are beyond our control may adversely affect our operations and the value of our properties. Such events or conditions could include:

- changes in the general economic climate;
- changes in local conditions such as oversupply of office space or a reduction in demand for office space;
- decreased attractiveness of our properties to potential tenants;
- competition from other office and office/flex buildings;
- our inability to provide adequate maintenance;
- increased operating costs, including insurance premiums and real estate taxes, due to inflation and other factors which may not necessarily be offset by increased rents;
- changes in laws and regulations (including tax, environmental and housing laws and regulations) and agency or court interpretations of such laws and regulations and the related costs of compliance;
- changes in interest rate levels and the availability of financing;
- the inability of a significant number of tenants to pay rent;
- our inability to rent office space on favorable terms; and
- civil unrest, earthquakes and other natural disasters or acts of God that may result in uninsured losses.

FINANCIALLY DISTRESSED TENANTS MAY BE UNABLE TO PAY RENT: If a tenant defaults, we may experience delays and incur substantial costs in enforcing our rights as landlord and protecting our investments. If a tenant files for bankruptcy, a potential court judgment rejecting and terminating such tenant's lease could adversely affect our ability to make distributions or payments to our investors.

ILLIQUIDITY OF REAL ESTATE LIMITS OUR ABILITY TO ACT QUICKLY: Real estate investments are relatively illiquid. Such illiquidity may limit our ability to react quickly in response to changes in economic and other conditions. If we want to sell an investment, we might not be able to dispose of that investment in the time period we desire, and the sales price of that investment might not recoup or exceed the amount of our investment. The prohibition in the Internal Revenue Code of 1986, as amended, and related regulations on a real estate investment trust holding property for sale also may restrict our ability to sell property. In addition, we acquired a significant number of our properties from individuals to whom we issued limited partnership units as part of the purchase price. In connection with the acquisition of these properties, in order to preserve such individual's tax deferral, we contractually agreed not to sell or otherwise transfer the properties for a specified period of time, subject to certain exceptions. The above limitations on our ability to sell our investments could adversely affect our ability to make distributions or payments to our investors.

AMERICANS WITH DISABILITIES ACT COMPLIANCE COULD BE COSTLY: Under the Americans with Disabilities Act of 1990, all public accommodations and commercial facilities must meet certain federal requirements related to access and use by disabled persons. Compliance with the ADA requirements could involve removal of structural barriers from certain disabled persons' entrances. Other federal, state and local laws may require modifications to or restrict further renovations of our properties with respect to such accesses. Although we believe that our properties are substantially in compliance with present requirements, noncompliance with the ADA or related laws or regulations could result in the United States government imposing fines or private litigants being awarded damages against us. Such costs may adversely affect our ability to make distributions or payments to our investors.

ENVIRONMENTAL PROBLEMS ARE POSSIBLE AND MAY BE COSTLY: Various federal, state and local laws and regulations subject property owners or operators to liability for the costs of removal or remediation of certain hazardous or toxic substances located on or in the property. These laws often impose liability without regard to whether the owner or operator was responsible for or even knew of the presence of such substances. The presence of or failure to properly remediate hazardous or toxic substances may adversely affect our ability to rent, sell or borrow against contaminated property. Various laws and regulations also impose liability on persons who arrange for the disposal or treatment of hazardous or toxic substances at another location for the costs of removal or remediation of such substances at the disposal or treatment facility. These laws often impose liability whether or not the person arranging for such disposal ever owned or operated the disposal facility. Certain other environmental laws and regulations impose liability on owners or operators of property for injuries relating to the release of asbestos-containing materials into the air. As owners and operators of property and as potential arrangers for hazardous substance disposal, we may be liable under such laws and regulations for removal or remediation costs, governmental penalties, property damage, personal injuries and related expenses. Payment of such costs and expenses could adversely affect our ability to make distributions or payments to our investors.

COMPETITION FOR ACQUISITIONS MAY RESULT IN INCREASED PRICES FOR PROPERTIES: We plan to acquire additional properties in New Jersey, New York and Pennsylvania and in the Northeast generally. We may be competing for investment opportunities with entities that have greater financial resources and more experienced managers. Several office building developers and real estate companies may

compete with us in seeking properties for acquisition, land for development and prospective tenants. Such competition may adversely affect our ability to make distributions or payments to our investors by:

- reducing the number of suitable investment opportunities offered to us;
- increasing the bargaining power of property owners;
- interfering with our ability to attract and retain tenants;
- increasing vacancies which lowers market rental rates and limits our ability to negotiate rental rates; and/or
- adversely affecting our ability to minimize expenses of operation.

DEVELOPMENT OF REAL ESTATE COULD BE COSTLY: As part of our operating strategy, we may acquire land for development under certain conditions. Included among the risks of the real estate development business are the following, which may adversely affect our ability to make distributions or payments to our investors:

- financing for development projects may not be available on favorable terms;
- long-term financing may not be available upon completion of construction; and
- failure to complete construction on schedule or within budget may increase debt service expense and construction costs.

PROPERTY OWNERSHIP THROUGH JOINT VENTURES COULD SUBJECT US TO THE CONTRARY BUSINESS OBJECTIVES OF OUR CO-VENTURERS: We, from time to time, invest in joint ventures or partnerships in which we do not hold a controlling interest. These investments involve risks that do not exist with properties in which we own a controlling interest, including the possibility that our co-venturers or partners may, at any time, have business, economic or other objectives that are inconsistent with our objectives. Because we lack a controlling interest, our co-venturers or partners may be in a position to take action contrary to our instructions or requests or contrary to our policies or objectives. Our organizational documents do not limit the amount of available funds that we may invest in joint ventures or partnerships. If the objectives of our co-venturers or partners are inconsistent with ours, it may adversely affect our ability to make distributions or payments to our investors.

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DEBT FINANCING COULD ADVERSELY AFFECT OUR ECONOMIC PERFORMANCE.

SCHEDULED DEBT PAYMENTS AND REFINANCING COULD ADVERSELY AFFECT OUR FINANCIAL CONDITION: We are subject to the risks normally associated with debt financing. These risks, including the following, may adversely affect our ability to make distributions or payments to our investors:

- our cash flow may be insufficient to meet required payments of principal and interest;
- payments of principal and interest on borrowings may leave us with insufficient cash resources to pay operating expenses;
- we may not be able to refinance indebtedness on our properties at maturity; and
- if refinanced, the terms of refinancing may not be as favorable as the original terms of the related indebtedness.

As of December 31, 2000, we had total outstanding indebtedness of \$1.6 billion comprised of \$798.1 million of senior unsecured notes, outstanding borrowings of \$348.8 million under our unsecured \$800.0 million revolving credit facility and approximately \$481.6 million of mortgage indebtedness. We may have to refinance the principal due on our indebtedness at maturity, and we may not be able to refinance any indebtedness we incur in the future.

If we are unable to refinance our indebtedness on acceptable terms, or at all, events or conditions that may adversely affect our ability to make distributions or payments to our investors include the following:

- we may need to dispose of one or more of our properties upon disadvantageous terms;
- prevailing interest rates or other factors at the time of refinancing could increase interest rates and, therefore, our interest expense;
- if we mortgage property to secure payment of indebtedness and are unable to meet mortgage payments, the mortgagee could foreclose upon such property or appoint a receiver to receive an assignment of our rents and leases; and
- foreclosures upon mortgaged property could create taxable income without accompanying cash proceeds and, therefore, hinder our ability to meet the real estate investment trust distribution requirements of the Internal Revenue Code.

RISING INTEREST RATES MAY ADVERSELY AFFECT OUR CASH FLOW: Outstanding borrowings of approximately \$348.8 million (as of December 31, 2000) under our revolving credit facilities and approximately \$32.2 million (as of December 31, 2000) of our mortgage indebtedness bear interest at variable rates. We may incur additional indebtedness in the future that also bears interest at variable rates. Variable rate debt creates higher debt service requirements if market

interest rates increase. Higher debt service requirements could adversely affect our ability to make distributions or payments to our investors or cause us to default under certain debt covenants.

OUR DEGREE OF LEVERAGE COULD ADVERSELY AFFECT OUR CASH FLOW: We fund acquisition opportunities and development partially through short-term borrowings (including our revolving credit facilities), as well as from proceeds from property sales and undistributed cash. We expect to refinance projects purchased with short-term debt either with long-term indebtedness or equity financing depending upon the economic conditions at the time of refinancing. Our Board of Directors has a general policy of limiting the ratio of our indebtedness to total undepreciated assets (total debt as a percentage of total undepreciated assets) to 50 percent or less, although there is no limit in Mack-Cali Realty, L.P.'s or our organizational documents on the amount of indebtedness that we may incur. However, we have entered into certain financial agreements which contain financial and operating covenants that limit our ability under certain circumstances to incur additional secured and unsecured indebtedness. The Board of Directors could alter or eliminate its current policy on borrowing at any time in its discretion. If this policy were changed, we could become more highly leveraged, resulting in an increase in debt service that could adversely affect our cash flow and our ability to make distributions or payments to our investors and could cause an increased risk of default on our obligations.

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WE ARE DEPENDENT ON OUR KEY PERSONNEL WHOSE CONTINUED SERVICE IS NOT GUARANTEED. We are dependent upon our executive officers for strategic business direction and real estate experience. While we believe that we could find replacements for these key personnel, loss of their services could adversely affect our operations. We have entered into an employment agreement (including non-competition provisions) which provides for a continuous four-year employment term with each of Mitchell E. Hersh, Timothy M. Jones, Barry Lefkowitz and Roger W. Thomas. We also have entered into an employment agreement (including non-competition provisions) with Michael A. Grossman which provides for an initial three year employment term and a continuous one-year term from and after the two-year anniversary of the execution of the agreement. We do not have key man life insurance for our executive officers.

CONSEQUENCES OF FAILURE TO QUALIFY AS A REAL ESTATE INVESTMENT TRUST COULD ADVERSELY AFFECT OUR FINANCIAL CONDITION.

FAILURE TO MAINTAIN OWNERSHIP LIMITS COULD CAUSE US TO LOSE OUR QUALIFICATION AS A REAL ESTATE INVESTMENT TRUST: In order for us to maintain our qualification as a real estate investment trust, not more than 50 percent in value of our outstanding stock may be actually and/or constructively owned by five or fewer individuals (as defined in the Internal Revenue Code to include certain entities). We have limited the ownership of our outstanding shares of our common stock by any single stockholder to 9.8 percent of the outstanding shares of our common stock. Our Board of Directors could waive this restriction if they were satisfied, based upon the advice of tax counsel or otherwise, that such action would be in our best interests and would not affect our qualifications as a real estate investment trust. Common stock acquired or transferred in breach of the limitation may be redeemed by us for the lesser of the price paid and the average closing price for the 10 trading days immediately preceding redemption or sold at the direction of us. We may elect to redeem such shares of common stock for limited partnership units, which are nontransferable except in very limited circumstances. Any transfer of shares of common stock which, as a result of such transfer, causes us to be in violation of any ownership limit will be deemed void. Although we currently intend to continue to operate in a manner which will enable us to continue to qualify as a real estate investment trust, it is possible that future economic, market, legal, tax or other considerations may cause our Board of Directors to revoke the election for us to qualify as a real estate investment trust. Under our organizational documents, our Board of Directors can make such revocation without the consent of our stockholders.

In addition, the consent of the holders of at least 85 percent of Mack-Cali Realty, L.P.'s partnership units is required: (i) to merge (or permit the merger of) us with another unrelated person, pursuant to a transaction in which Mack-Cali Realty, L.P. is not the surviving entity; (ii) to dissolve, liquidate or wind up Mack-Cali Realty, L.P.; or (iii) to convey or otherwise transfer all or substantially all of Mack-Cali Realty, L.P.'s assets. As general partner, we own approximately 79.8 percent of Mack-Cali Realty, L.P.'s outstanding partnership units (assuming conversion of all preferred limited partnership units).

TAX LIABILITIES AS A CONSEQUENCE OF FAILURE TO QUALIFY AS A REAL ESTATE INVESTMENT TRUST: We have elected to be treated and have operated so as to qualify as a real estate investment trust for federal income tax purposes since our taxable year ended December 31, 1994. Although we believe we will continue to operate in such manner, we cannot guarantee that we will do so. Qualification as a real estate investment trust involves the satisfaction of various requirements (some on an annual and quarterly basis) established under highly technical and complex tax provisions of the Internal Revenue Code. Because few

judicial or administrative interpretations of such provisions exist and qualification determinations are fact sensitive, we cannot assure you that we will qualify as a real estate investment trust for any taxable year.

If we fail to qualify as a real estate investment trust in any taxable year, we will be subject to the following:

- we will not be allowed a deduction for dividends to shareholders;
- we will be subject to federal income tax at regular corporate rates, including any alternative minimum tax, if applicable; and
- unless we are entitled to relief under certain statutory provisions, we will not be permitted to qualify as a real estate investment trust for the four taxable years following the year during which we were disqualified.

A loss of our status as a real estate investment trust could have an adverse effect on us. Failure to qualify as a real estate investment trust also would eliminate the requirement that we pay dividends to our stockholders.

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OTHER TAX LIABILITIES: Even if we qualify as a real estate investment trust, we are subject to certain federal, state and local taxes on our income and property and, in some circumstances, certain other state taxes. Our net income from third party management and tenant improvements, if any, also may be subject to federal income tax.

RISK OF CHANGES IN THE TAX LAW APPLICABLE TO REAL ESTATE INVESTMENT TRUSTS: Since the Internal Revenue Service, the United States Treasury Department and Congress frequently review federal income tax legislation, we cannot predict whether, when or to what extent new federal tax laws, regulations, interpretations or rulings will be adopted. Any of such legislative action may prospectively or retroactively modify our and Mack-Cali Realty, L.P.'s tax treatment and, therefore, may adversely affect taxation of us, Mack-Cali Realty, L.P., and/or investors.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

The Company considers portions of this information to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements relate to, without limitation, the Company's future economic performance, plans and objectives for future operations and projections of revenue and other financial items. Forward-looking statements can be identified by the use of words such as "may," "will," "should," "expect," "anticipate," "estimate" or "continue" or comparable terminology. Forward-looking statements are inherently subject to risks and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements. See "Risk Factors" for a discussion of important factors with respect to such forward-looking statements, including certain risks and uncertainties, that could cause actual results to differ materially from those presented in the forward-looking statements.

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ITEM 2. PROPERTIES

PROPERTY LIST

As of December 31, 2000, the Company's Consolidated Properties consisted of 248 in-service office, office/flex and industrial/warehouse properties, ranging from one to 20 stories, as well as two multi-family residential properties, two stand-alone retail properties and three land leases. The Consolidated Properties are located primarily in the Northeast. The Consolidated Properties are easily accessible from major thoroughfares and are in close proximity to numerous amenities. The Consolidated Properties contain a total of approximately 26.7 million square feet, with the individual properties ranging from approximately 6,200 to 761,200 square feet. The Consolidated Properties, managed by on-site employees, generally have attractively landscaped sites, atriums and covered parking in addition to quality design and construction. The Company's tenants include many service sector employers, including a large number of professional firms and national and international businesses. The Company believes that all of its properties are well-maintained and do not require significant capital improvements.

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PROPERTY LISTING

OFFICE PROPERTIES

<TABLE>
<CAPTION>

LEASING 10% MORE OF NET RENTABLE AREA PER PROPERTY AS OF LOCATION 12/31/00 (6)	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE		2000		PERCENTAGE OF TOTAL 2000 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT (%)	2000 AVERAGE EFFECTIVE RENT PER SQ. FT. (\$)	2000 AVERAGE EFFECTIVE RENT PER SQ. FT. (\$)	TENANTS OR
			LEASED AS OF 12/31/00 (%) (1)	2000 BASE RENT (\$000'S) (2) (6)	2000 EFFECTIVE RENT (\$000'S) (3) (6)	2000 AVERAGE EFFECTIVE RENT PER SQ. FT. (\$)	2000 AVERAGE EFFECTIVE RENT PER SQ. FT. (\$)			
ATLANTIC COUNTY, NEW JERSEY EGG HARBOR 100 Decadon Drive..... Computer Sciences	1987	40,422	82.1	770	755	0.16	23.20	22.75	Corp.	
(81%) 200 Decadon Drive..... Computer Sciences	1991	39,922	95.3	728	687	0.15	19.13	18.06	Corp.	
(45%), Advanced Systems									Casino Corp.	
(33%), Dimensions International Inc.									(15%)	
BERGEN COUNTY, NEW JERSEY FAIR LAWN 17-17 Route 208 North..... Inc. (63%), Lepore Assoc.,	1987	143,000	98.3	3,498	3,381	0.72	24.88	24.05	Lonza, Boron- Inc.	
(16%) FORT LEE One Bridge Plaza..... PricewaterhouseCoopers, (35%), Broadview Associates LLP Bozell	1981	200,000	93.5	4,853	4,591	1.00	25.95	24.55	LLP (16%),	
Worldwide, Inc. (16%) 2115 Linwood Avenue..... Depot Inc. (23%), Ameribrom Inc. (14%), Management Construction (11%), Stanley Dean (10%) LITTLE FERRY 200 Riser Road.. Motor Company	1981	68,000	99.7	1,255	1,132	0.26	18.51	16.70	US Mack & Morgan Witter Ford (34%),	

Corning Life
 Sciences Inc. (15%),
 Fluid Technology
 Pearson
 Education (14%)
 </TABLE>

ITT
 (14%),

PROPERTY LISTING
 OFFICE PROPERTIES
 (CONTINUED)

<TABLE>
 <CAPTION>

TENANTS LEASING 10% MORE OF NET	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/00 (%) (1)	2000 BASE RENT (\$000'S) (2) (6)	2000 EFFECTIVE RENT (\$000'S) (3) (6)	PERCENTAGE OF TOTAL 2000 OFFICE, 2000	2000	2000 AVERAGE	OR
					OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT (%)	AVERAGE BASE RENT PER SQ. FT. (\$ (4) (6)	EFFECTIVE RENT PER SQ. FT. (\$ (5) (6)	
WOODCLIFF LAKE 400 Chestnut Ridge Road..... 1982 Timeplex, Inc. (100%)	89,200	100.0	2,131	2,131	0.44	23.89	23.89	
470 Chestnut Ridge Road..... 1987 Andermatt LP (100%)	52,500	100.0	1,192	1,192	0.25	22.70	22.70	
530 Chestnut Ridge Road..... 1986 Peat Marwick, (100%)	57,204	100.0	1,166	1,166	0.24	20.38	20.38	KPMG LLP
50 Tice Boulevard..... 1984 Syncsort, Inc (25%)	235,000	95.5	4,881	4,291	1.01	21.75	19.12	
300 Tice Boulevard..... 1991 Home Mortgage Corp. (25%), Medco Containment Services (20%), Comdisco, Inc. (13%), Corp. (11%)	230,000	100.0	4,967	4,920	1.02	21.60	21.39	Chase
BURLINGTON COUNTY, NEW JERSEY MOORESTOWN 224 Strawbridge Drive..... 1984 Allstate Insurance Company (49%), Harleysville Mutual Insurance (27%)	74,000	98.1	1,368	1,094	0.28	18.84	15.07	
228 Strawbridge Drive..... 1984 Cendant Mortgage Corporation (100%)	74,000	100.0	1,434	1,081	0.30	19.38	14.61	NYCE

ESSEX COUNTY, NEW JERSEY MILLBURN 150 J.F. Kennedy Parkway..... 1980									
247,476	100.0	6,182	6,127	1.28	24.98	24.76	KPMG		
Peat Marwick, (42%), Budd Larner Gross Et Al (23%)									
ROSELAND 101 Eisenhower Parkway..... 1980									
237,000	97.5	4,200	3,899	0.87	18.18	16.87			
Arthur Andersen, LLP (31%), Brach, Eichler, Rosenberg, Silver, Bernstein & Hammer (13%)									
103 Eisenhower Parkway..... 1985									
151,545	100.0	3,350	3,059	0.69	22.11	20.19			
Chelsea GCA Realty Corp. (18%), Lum, Danzis, Drasco Positan & Kleinberg (15%), Netplex Group (12%), Salomon Smith Barney, (11%)									
HUDSON COUNTY, NEW JERSEY JERSEY CITY 95 Christopher Columbus Drive (8)..... 1989									
--	--	3,850	3,844	0.79	--	--			
-- Harborside Financial Center Plaza 1.. 1983									
400,000	99.0	3,336	3,333	0.69	8.42	8.42			
Bankers Trust Harborside, Inc. (96%) Harborside Financial Center Plaza 2.. 1990									
761,200	100.0	18,523	17,908	3.82	24.33	23.53			
Morgan Stanley Dean Witter (35%), Dow Jones Telerate Systems, (24%), DLJ Securities Corp. (15%), Lewco Securities (11%)									
Harborside Financial Center Plaza 3.. 1990									
725,600	100.0	17,654	17,067	3.64	24.33	23.52	AICPA		
(34%), BTM									

Information Services,

Inc.

(19%)
 Harborside
 Financial
 Center
 Plaza 4-A (7)... 2000 207,670 88.7 1,279 1,225 0.26 36.44 (9) 34.90 (9)
 Waterhouse Securities

Inc.

(89%)
 </TABLE>

PROPERTY LISTING

OFFICE PROPERTIES
 (CONTINUED)

<TABLE>
 <CAPTION>

TENANTS LEASING 10% MORE OF NET RENTABLE AREA PER PROPERTY AS OF LOCATION 12/31/00 (6)	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE	2000		2000		PERCENTAGE OF TOTAL 2000 OFFICE, 2000	2000 AVERAGE		OR
			LEASED AS OF 12/31/00 (%) (1)	BASE RENT (\$000'S) (2) (6)	EFFECTIVE RENT (\$000'S) (3) (6)	OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT (%)	AVERAGE BASE RENT PER SQ. FT. (\$ (4) (6)	EFFECTIVE RENT PER SQ. FT. (\$ (5) (6)			

<S> <C> <C> <C> <C> <C> <C> <C> <C> <C>

MERCER COUNTY,
 NEW JERSEY
 PRINCETON
 103 Carnegie
 Center..... 1984 96,000 100.0 2,302 2,124 0.47 23.98 22.13
 Ronin Development

Corp. (15%), R.G.

Vanderweil

Engineers (14%),

Kurt Salmon Assoc.

Inc. (11%)
 100 Overlook
 Center 1988 149,600 88.9 3,338 3,285 0.69 25.10 24.70
 Regus Business

Centre Corp.

(26%), Xerox

Corporation (23%),

Paine Webber Inc.

(14%)
 5 Vaughn
 Drive..... 1987 98,500 100.0 2,312 2,163 0.48 23.47 21.96
 U.S. Trust Company

NJ (19%),

Princeton Venture

Research Corp.

(14%), Villeroy &

Boch Tableware

Ltd. (14%),

Woodrow Wilson

of

National

Fellowship

Foundation (14%)

MIDDLESEX

COUNTY,

NEW JERSEY

EAST BRUNSWICK

377 Summerhill

Road..... 1977 40,000 100.0 373 370 0.08 9.33 9.25

Greater New York

Mutual Insurance

Company (100%)

PLAINSBORO

500 College

Road East..... 1984 158,235 100.0 3,404 3,374 0.70 21.51 21.32 SSB

Realty, LLC

(72%), Buchanan

Ingersoll P.C.

(17%),

PNC Bank, N.A.

(10%)

SOUTH BRUNSWICK

3 Independence

Way..... 1983 111,300 100.0 2,166 2,116 0.45 19.46 19.01

Merrill Lynch

Pierce Fenner &

Smith (84%)

WOODBRIIDGE

581 Main

Street..... 1991 200,000 100.0 4,699 4,617 0.97 23.50 23.09

First Investors

Management

Company, Inc.

(38%), Cast North

America Ltd. (11%)

MONMOUTH COUNTY,

NEW JERSEY

NEPTUNE

3600 Route 66... 1989 180,000 100.0 2,410 2,410 0.50 13.39 13.39

United States Life

Insurance Company

(100%)

WALL TOWNSHIP

1305 Campus

Parkway..... 1988 23,350 82.3 472 460 0.10 24.56 23.94

Waterford

Wedgewood USA

Inc. (41%),

McLaughlin,

Bennett, Gelson

(35%)

1350 Campus

Parkway..... 1990 79,747 99.9 1,393 1,295 0.29 17.49 16.26

Meridan Health

Realty Corp.

(22%), Milestone

Material Inc.

(18%), Stephen E.

Gertler Law Office

(17%), Amper

Politzner &

Mattia PA (11%),

Health Care

Software (11%),

Sportsgolf L.L.C.

(11%)

MORRIS COUNTY,

NEW JERSEY

FLORHAM PARK

325 Columbia

Turnpike..... 1987

168,144

100.0

4,107

3,684

0.85

24.43

21.91

Bressler Amery &

Ross (24%),

Salomon Smith

Barney Inc.

(13%), Atlantic

Health Systems

(12%), Dun &

Bradstreet

Inc. (12%)

</TABLE>

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PROPERTY LISTING

OFFICE PROPERTIES

(CONTINUED)

<TABLE>

<CAPTION>

TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF LOCATION 12/31/00 (6)	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE	2000	2000	PERCENTAGE	2000	2000	2000
			LEASED AS OF 12/31/00 (%) (1)	BASE RENT (\$000'S) (2) (6)	EFFECTIVE RENT (\$000'S) (3) (6)	OF TOTAL 2000 OFFICE, AND INDUSTRIAL/ WAREHOUSE BASE RENT (%)	AVERAGE BASE RENT PER SQ. FT. (\$ (4) (6)	AVERAGE EFFECTIVE RENT PER SQ. FT. (\$ (5) (6)	
MORRIS PLAINS 250 Johnson Road..... Electronic Data Systems Corp. (100%) 201 Littleton Road..... Xerox Corporation (50%), Willis Corroon Corp. of	1977	75,000	100.0	1,300	1,264	0.27	17.33	16.85	
	1979	88,369	100.0	1,880	1,860	0.39	21.27	21.05	

New Jersey

(20%), Bozell

Worldwide Inc.

(19%), CHEP USA

(11%)

MORRIS TOWNSHIP

340 Mt. Kemble

Avenue..... 1985	387,000	100.0	5,530	5,530	1.14	14.29	14.29
------------------	---------	-------	-------	-------	------	-------	-------

AT&T Corporation

(100%)

412 Mt. Kemble

Avenue (8)..... 1986	--	--	3,030	3,030	0.63	--	--	--
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PARSIPPANY

7 Campus Drive.. 1982	154,395	100.0	2,552	2,551	0.53	16.53	16.52
-----------------------	---------	-------	-------	-------	------	-------	-------

Nabisco Inc. (100%)

8 Campus Drive.. 1987	215,265	100.0	5,517	5,324	1.14	25.63	24.73
-----------------------	---------	-------	-------	-------	------	-------	-------

Prudential

Insurance Co.

(31%), Bay Networks

Inc. (27%), MCI

Telecommunications

Corp. (18%), Ayco

Company L.P. (13%)

2 Dryden Way.... 1990	6,216	100.0	67	67	0.01	10.78	10.78
-----------------------	-------	-------	----	----	------	-------	-------

Bright Horizons

Childrens Center

(100%)

4 Gatehall

Drive (7)..... 1988	248,480	90.8	3,170	3,170	0.65	25.51	25.51
---------------------	---------	------	-------	-------	------	-------	-------

J.B. Hanauer &

Company (20%),

Royal Indemnity

Company

(13%), Toyota

Motor Credit Corp.

(12%)

2 Hilton Court.. 1991	181,592	100.0	4,693	4,656	0.97	25.84	25.64
-----------------------	---------	-------	-------	-------	------	-------	-------

Deloitte & Touche

USA LLP (64%),

Northern Telecom

Inc.

(16%), Sankyo

Parke Davis (11%)

600 Parsippany

Road..... 1978	96,000	100.0	1,583	1,499	0.33	16.49	15.61
----------------	--------	-------	-------	-------	------	-------	-------

Exario Networks

Inc. (36%),

Sharemax.com (32%)

1 Sylvan Way.... 1989

Cendant Operations	150,557	100.0	3,507	3,103	0.72	23.29	20.61
--------------------	---------	-------	-------	-------	------	-------	-------

Inc. (99%)

5 Sylvan Way.... 1989	151,383	100.0	3,519	3,459	0.73	23.25	22.85
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Integrated

Communications

(41%), Experian

Information

Solution

(15%), DRS

Technologies Inc.

(12%)
 7 Sylvan Way.... 1987 145,983 100.0 2,919 2,919 0.60 20.00 20.00
 Nabisco Inc. (100%)

PASSAIC COUNTY,
 NEW JERSEY
 CLIFTON
 777 Passaic
 Avenue..... 1983 75,000 89.1 954 857 0.20 14.28 12.82
 Grosvenor

Marketing Ltd (10%)

TOTOWA
 999 Riverview
 Drive..... 1988 56,066 100.0 1,014 946 0.21 18.09 16.87
 Medical Logistics

Inc. (36%),

Telsource

Corporation (19%),

Humana Press (15%),

Bankers Financial

Corp. (10%)
 WAYNE
 201 Willowbrook
 Boulevard..... 1970 178,329 99.0 2,407 2,392 0.50 13.63 13.55 The
 Grand Union

Company (76%),

Woodward-Clyde

Consultants

(23%)
 </TABLE>

PROPERTY LISTING

OFFICE PROPERTIES
 (CONTINUED)

<TABLE>
 <CAPTION>

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/00 (%) (1)	2000 BASE RENT (\$000'S) (2) (6)	2000 EFFECTIVE RENT (\$000'S) (3) (6)	PERCENTAGE OF TOTAL 2000 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT (%)

<S> SOMERSET COUNTY, NEW JERSEY	<C>	<C>	<C>	<C>	<C>	<C>
BASKING RIDGE						
222 Mt. Airy Road.....	1986	49,000	100.0	745	692	0.15
233 Mt. Airy Road.....	1987	66,000	100.0	762	712	0.16
BERNARDS						
106 Allen Road (7).....	2000	132,010	72.5	279	234	0.06
BRIDGEWATER						
721 Route 202/206.....	1989	192,741	100.0	4,286	4,142	0.88

UNION COUNTY, NEW JERSEY						
CLARK						
100 Walnut Avenue.....	1985	182,555	97.5	4,568	4,001	0.94
CRANFORD						
6 Commerce Drive.....	1973	56,000	93.0	1,029	964	0.21
11 Commerce Drive (6).....	1981	90,000	93.2	1,023	908	0.21
12 Commerce Drive.....	1967	72,260	96.3	604	603	0.12
20 Commerce Drive.....	1990	176,600	100.0	4,065	3,674	0.84
65 Jackson Drive.....	1984	82,778	100.0	1,600	1,213	0.33
NEW PROVIDENCE						
890 Mountain Road.....	1977	80,000	100.0	2,250	2,238	0.46

TOTAL NEW JERSEY OFFICE		11,430,809	98.0	229,544	220,922	47.39

DUTCHESS COUNTY, NEW YORK						
FISHKILL						
300 South Lake Drive.....	1987	118,727	97.3	2,184	2,157	0.45
NASSAU COUNTY, NEW YORK						
NORTH HEMPSTEAD						
600 Community Drive.....	1983	206,274	100.0	4,808	4,808	0.99
111 East Shore Road.....	1980	55,575	100.0	1,518	1,514	0.31

<CAPTION>

PROPERTY LOCATION	2000 AVERAGE BASE RENT PER SQ. FT. (\$) (4) (6)	2000 AVERAGE EFFECTIVE RENT PER SQ. FT. (\$) (5) (6)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/00 (6)

<S>	<C>	<C>	<C>
SOMERSET COUNTY, NEW JERSEY			
BASKING RIDGE			
222 Mt. Airy Road.....	15.20	14.12	Avaya Inc. (100%)
233 Mt. Airy Road.....	11.55	10.79	Avaya Inc. (100%)
BERNARDS			
106 Allen Road (7).....	24.84 (9)	20.83 (9)	KPMG Consulting LLC (59%)
BRIDGEWATER			
721 Route 202/206.....	22.24	21.49	Allstate Insurance Company (37%), Norris, McLaughlin & Marcus, PA (30%)
UNION COUNTY, NEW JERSEY			
CLARK			
100 Walnut Avenue.....	25.66	22.48	CAP Gemini America Inc. (54%), Equitable Life Assurance (10%), Mastercare Companies Inc. (10%)
CRANFORD			
6 Commerce Drive.....	19.76	18.51	Kendle International Inc. (50%)
11 Commerce Drive (6).....	12.20	10.82	Northeast Administrators (10%)
12 Commerce Drive.....	8.68	8.67	Dames & Moore (40%), Registrar & Transfer Company (36%)
20 Commerce Drive.....	23.02	20.80	Public Service Electric & Gas Company (26%), Quintiles Inc. (21%)
65 Jackson Drive.....	19.33	14.65	Kraft General Foods, Inc. (35%), Allstate Insurance Company (27%), Procter & Gamble Distribution Co., Inc. (18%), Provident Companies Inc. (14%)
NEW PROVIDENCE			
890 Mountain Road.....	28.13	27.98	Aspen Technology Inc. (52%), Dun & Bradstreet (27%), K Line America, Inc. (16%)

 TOTAL NEW JERSEY OFFICE 21.01 20.22

DUTCHESS COUNTY, NEW YORK
 FISHKILL
 300 South Lake Drive..... 18.91 18.67 Allstate Insurance Company (16%)

 NASSAU COUNTY, NEW YORK
 NORTH HEMPSTEAD
 600 Community Drive..... 23.31 23.31 CMP Media, Inc. (100%)
 111 East Shore Road..... 27.31 27.24 Administrators For The Professions, Inc. (100%)
 </TABLE>

PROPERTY LISTING

OFFICE PROPERTIES
 (CONTINUED)

<TABLE>
 <CAPTION>

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/00 (%) (1)	2000 BASE RENT (\$000'S) (2) (6)	2000 EFFECTIVE RENT (\$000'S) (3) (6)	PERCENTAGE OF TOTAL 2000 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT (%)
<hr/>						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ROCKLAND COUNTY, NEW YORK						
SUFFERN						
400 Rella Boulevard.....	1988	180,000	99.8	3,631	3,463	0.75
WESTCHESTER COUNTY, NEW YORK						
ELMSFORD						
100 Clearbrook Road (6).....	1975	60,000	91.7	938	869	0.19
101 Executive Boulevard.....	1971	50,000	79.3	801	772	0.17
555 Taxter Road (7).....	1986	170,554	100.0	2,457	2,457	0.51
565 Taxter Road (7).....	1988	170,554	86.6	2,052	2,047	0.42
570 Taxter Road.....	1972	75,000	96.5	1,456	1,398	0.30
HAWTHORNE						
30 Saw Mill River Road.....	1982	248,400	100.0	5,215	4,301	1.07
1 Skyline Drive.....	1980	20,400	99.0	300	289	0.06
2 Skyline Drive.....	1987	30,000	98.9	479	435	0.10
7 Skyline Drive.....	1987	109,000	100.0	2,196	2,193	0.45
17 Skyline Drive.....	1989	85,000	100.0	1,233	1,233	0.25
TARRYTOWN						
200 White Plains Road.....	1982	89,000	88.1	1,734	1,581	0.36
220 White Plains Road.....	1984	89,000	95.4	2,117	2,020	0.44
WHITE PLAINS						
1 Barker Avenue.....	1975	68,000	99.0	1,605	1,568	0.33
3 Barker Avenue.....	1983	65,300	93.3	1,251	1,217	0.26
50 Main Street.....	1985	309,000	99.6	7,641	7,216	1.58
11 Martine Avenue.....	1987	180,000	100.0	4,529	4,192	0.93
1 Water Street.....	1979	45,700	99.8	1,048	1,014	0.22

<CAPTION>

PROPERTY LOCATION	AVERAGE BASE RENT PER SQ. FT. (\$ (4) (6))	EFFECTIVE RENT PER SQ. FT. (\$ (5) (6))	OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/00 (6)

<S>	<C>	<C>	<C>
ROCKLAND COUNTY, NEW YORK SUFFERN 400 Rella Boulevard..... Bank	20.21	19.28	The Prudential Insurance Co. (21%), Provident Savings F.A. (20%), Allstate Insurance Company (19%)
WESTCHESTER COUNTY, NEW YORK ELMSFORD			
100 Clearbrook Road (6).....	17.05	15.79	MIM Corporation (18%), Amerihealth Inc. (13%)
101 Executive Boulevard..... Inc.	20.20	19.47	Pennysaver Group Inc. (23%), MCS Business Solutions (11%)
555 Taxter Road (7)..... Company	23.58	23.58	Fuji Photo Film USA Inc. (64%), Royal Indemnity (12%)
565 Taxter Road (7)..... Airlines	22.74	22.68	Nextel of New York Inc. (29%), KLM Royal Dutch (10%), Nationwide Mutual Insurance (10%)
570 Taxter Road.....	20.12	19.32	New York State United Teachers Association (11%), Wilder Balter Partners LLC (11%)
HAWTHORNE			
30 Saw Mill River Road.....	20.99	17.31	IBM Corporation (100%)
1 Skyline Drive..... Inc. (49%)	14.85	14.31	Boxx International Corp. (50%), Childtime Childcare (17%), NYS Dept. of Environmental Services (13%)
2 Skyline Drive.....	16.14	14.66	MW Samara (56%), Perini Construction (43%)
7 Skyline Drive.....	20.15	20.12	E.M. Industries Inc. (42%), Cortlandt Group Inc. (14%)
17 Skyline Drive.....	14.51	14.51	IBM Corporation (100%)
TARRYTOWN			
200 White Plains Road..... Associates Inc.,	22.11	20.16	Allmerica Financial (17%), Independent Health (17%), NYS Dept. of Environmental Services (13%)
220 White Plains Road.....	24.93	23.79	Eagle Family Foods Inc. (17%), ATM Services Inc. (10%)
WHITE PLAINS			
1 Barker Avenue.....	23.84	23.29	O'Connor McGuinn Conte (19%), United Skys Realty Corp. (18%)
3 Barker Avenue..... Intersearch	20.53	19.98	Bernard C. Harris Publishing Co. Inc. (56%), TNS Corporation (10%)
50 Main Street..... (10%)	24.83	23.45	TMP Worldwide Inc. (15%), National Economic Research Corporation (10%)
11 Martine Avenue..... Donovan Inc.	25.16	23.29	Salomon Smith Barney Inc. (12%), McCarthy Fingar Et Al (11%), David Worby (11%), Dean Witter Reynolds (11%)
1 Water Street..... Co.	22.98	22.23	Trigen Energy Company (48%), Stewart Title Insurance (16%)

PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

<TABLE>
<CAPTION>

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/00 (%) (1)	2000 BASE RENT (\$000'S) (2) (6)	2000 EFFECTIVE RENT (\$000'S) (3) (6)	PERCENTAGE OF TOTAL 2000 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/WAREHOUSE BASE RENT (%)

<S>	<C>	<C>	<C>	<C>	<C>	<C>
YONKERS 1 Executive Boulevard.....	1982	112,000	100.0	2,380	2,252	0.49

3 Executive Plaza.....	1987	58,000	100.0	1,418	1,371	0.29
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TOTAL NEW YORK OFFICE		2,595,484	97.5	52,991	50,367	10.92
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CHESTER COUNTY, PENNSYLVANIA

BERWYN

1000 Westlakes Drive.....	1989	60,696	93.6	1,485	1,476	0.31
1055 Westlakes Drive.....	1990	118,487	42.9	2,305	2,305	0.48
1205 Westlakes Drive.....	1988	130,265	99.8	2,875	2,836	0.59
1235 Westlakes Drive.....	1986	134,902	100.0	3,229	3,130	0.67

DELAWARE COUNTY, PENNSYLVANIA

LESTER

100 Stevens Drive.....	1986	95,000	100.0	1,703	1,593	0.35
200 Stevens Drive.....	1987	208,000	100.0	4,227	4,011	0.87
300 Stevens Drive.....	1992	68,000	92.3	1,414	1,359	0.29

MEDIA

1400 Providence Road - Center I	1986	100,000	86.4	1,797	1,713	0.37
1400 Providence Road - Center II	1990	160,000	80.3	2,923	2,752	0.60

MONTGOMERY COUNTY, PENNSYLVANIA

LOWER PROVIDENCE

1000 Madison Avenue.....	1990	100,700	100.0	1,803	1,769	0.37
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PLYMOUTH MEETING

1150 Plymouth Meeting Mall.....	1970	167,748	91.8	2,766	2,718	0.57
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<CAPTION>

PROPERTY LOCATION	2000 AVERAGE BASE RENT PER SQ. FT. (\$ (4) (6))	2000 AVERAGE EFFECTIVE RENT PER SQ.FT. (\$ (5) (6))	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/00 (6)
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<S>	<C>	<C>	<C>
YONKERS			
1 Executive Boulevard.....	21.25	20.11	Wise Contact US Optical Corp. (12%), AVR Realty Company (11%), Protective Tech International (11%), York, International Agency Inc.(11%)
3 Executive Plaza.....	24.45	23.64	Montefiore Medical Center (45%), Metropolitan Life Insurance (21%), Allstate Insurance Company (20%), City & Suburban Federal Savings Bank (14%)

TOTAL NEW YORK OFFICE	22.08	21.05	
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CHESTER COUNTY, PENNSYLVANIA

BERWYN

1000 Westlakes Drive.....	26.14	25.98	Drinker Biddle & Reath (42%), PNC Bank, NA (38%)
1055 Westlakes Drive.....	45.35	45.35	Regus Business Centre Corp. (34%)
1205 Westlakes Drive.....	22.11	21.81	Provident Mutual Life Insurance Co. (35%), Oracle Corporation
1235 Westlakes Drive.....	23.94	23.20	30%), International Rehab Assoc. (10%) Pepper Hamilton & Scheetz L.L.P. (22%), Ratner & Prestia (16%), Turner Investment Partners (10%)

DELAWARE COUNTY, PENNSYLVANIA

LESTER

100 Stevens Drive.....	17.93	16.77	Keystone Mercy Health Plan (100%)
200 Stevens Drive.....	20.32	19.28	Keystone Mercy Health Plan (100%)
300 Stevens Drive.....	22.53	21.65	Bluestone Software Inc. (39%), Keystone Mercy Health Plan (33%)

MEDIA

1400 Providence Road - Center I	20.80	19.83	General Services Admin.(13%), Erie Insurance Company
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(11%)				
1400 Providence Road - Center II	22.75	21.42	Barnett International (36%)	
MONTGOMERY COUNTY, PENNSYLVANIA				
LOWER PROVIDENCE				
1000 Madison Avenue.....	17.90	17.57	Reality Online Inc. (42%), Banc One National	
Processing (21%),			Danka Corporation (14%), Seton Company (12%)	
PLYMOUTH MEETING				
1150 Plymouth Meeting Mall....	17.96	17.65	Computer Learning Centers, Inc. (18%), Ken-Crest	
Services			(18%), Ikea US General Partners Inc. (14%), ECC	
Management			Services (13%)	

PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

<TABLE>
<CAPTION>

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/00 (%) (1)	2000 BASE RENT (\$000'S) (2) (6)	2000 EFFECTIVE RENT (\$000'S) (3) (6)	PERCENTAGE OF TOTAL 2000 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT (%)

<S>	<C>	<C>	<C>	<C>	<C>	<C>
Five Sentry Parkway East.....	1984	91,600	100.0	1,499	1,494	0.31
Five Sentry Parkway West.....	1984	38,400	100.0	689	688	0.14

TOTAL PENNSYLVANIA OFFICE		1,473,798	90.8	28,715	27,844	5.92

FAIRFIELD COUNTY, CONNECTICUT						
GREENWICH						
500 West Putnam Avenue.....	1973	121,250	97.5	2,941	2,845	0.61
NORWALK						
40 Richards Avenue.....	1985	145,487	96.8	3,077	2,927	0.63
SHELTON						
1000 Bridgeport Avenue.....	1986	133,000	100.0	2,266	2,221	0.47

TOTAL CONNECTICUT OFFICE		399,737	98.1	8,284	7,993	1.71

WASHINGTON, D.C.						
1201 Connecticut Avenue, NW.....	1940	169,549	100.0	5,129	5,100	1.06
1400 L Street, NW.....	1987	159,000	100.0	5,990	5,896	1.24
1709 New York Avenue, NW.....	1972	166,000	100.0	7,227	7,076	1.49

TOTAL DISTRICT OF COLUMBIA OFFICE		494,549	100.0	18,346	18,072	3.79

PRINCE GEORGE'S COUNTY, MARYLAND						
LANHAM						
4200 Parliament Place.....	1989	122,000	92.9	2,543	2,442	0.52

TOTAL MARYLAND OFFICE		122,000	92.9	2,543	2,442	0.52

<CAPTION>

PROPERTY LOCATION	2000 AVERAGE BASE RENT PER SQ. FT. (\$)	4 (6)	AVERAGE EFFECTIVE RENT PER SQ. FT. (\$)	5 (6)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/00 (6)

<S>	<C>	<C>	<C>	<C>	
Five Sentry Parkway East..... (23%)	16.36		16.31		Merck & Co. Inc. (77%), Selas Fluid Processing Corp. (23%)
Five Sentry Parkway West.....	17.94		17.92		Merck & Co. Inc. (70%), David Cutler Group (30%)

TOTAL PENNSYLVANIA OFFICE	21.46		20.81		

FAIRFIELD COUNTY, CONNECTICUT					
GREENWICH					
500 West Putnam Avenue..... Co.	24.88		24.07		Hachette Filipacchi Magazines (27%), McMahan Securities LP (15%) Winklevoss Consultants Inc. (12%)
NORWALK					
40 Richards Avenue..... Inc.	21.85		20.78		South Beach Beverage Co., LLC (14%), Media Horizons (11%), Programmed Solutions Inc. (10%)
SHELTON					
1000 Bridgeport Avenue..... Development	17.04		16.70		William Carter Company (23%), Weseley Software (22%), Toyota Motor Credit Corporation (11%), LandStar Gemini Inc. (11%)

TOTAL CONNECTICUT OFFICE	21.13		20.39		

WASHINGTON, D.C.					
1201 Connecticut Avenue, NW.....	30.25		30.08		Zuckerman Spaeder Goldstein (29%), Leo A. Daly Company (17%), RFE/RL Inc. (16%)
1400 L Street, NW.....	37.67		37.08		Winston & Strawn (68%)
1709 New York Avenue, NW..... America	43.54		42.63		Board of Gov/Federal Reserve (70%), United States of America -GSA (25%)

TOTAL DISTRICT OF COLUMBIA OFFICE	37.10		36.54		

PRINCE GEORGE'S COUNTY, MARYLAND					
LANHAM					
4200 Parliament Place..... Company	22.44		21.55		Group I Software Inc. (45%), Infinity Broadcasting (16%), State Farm Mutual Auto Ins. Co. (11%)

TOTAL MARYLAND OFFICE	22.44		21.55		

</TABLE>

PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

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PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE		2000 BASE RENT (\$000'S)	2000 EFFECTIVE RENT (\$000'S)
			LEASED AS OF 12/31/00 (%)	(1)		
			(2)	(6)		(3)

<S>	<C>	<C>	<C>	<C>	<C>
BEXAR COUNTY, TEXAS					
SAN ANTONIO					
200 Concord Plaza Drive.....	1986	248,700	97.4	4,371	4,324
84 N.E. Loop 410.....	1971	187,312	89.9	2,545	2,528
1777 N.E. Loop 410.....	1986	256,137	83.0	3,718	3,631
111 Soledad.....	1918	248,153	93.0	2,621	2,532
COLLIN COUNTY, TEXAS					
PLANO					
555 Republic Place.....	1986	97,889	85.0	1,421	1,346
DALLAS COUNTY, TEXAS					
DALLAS					
3030 LBJ Freeway (6).....	1984	367,018	96.8	6,543	6,278
3100 Monticello.....	1984	173,837	94.6	2,752	2,682
8214 Westchester.....	1983	95,509	81.4	1,242	1,192
IRVING					
2300 Valley View.....	1985	142,634	97.4	1,903	1,786
RICHARDSON					
1122 Alma Road.....	1977	82,576	100.0	607	607
HARRIS COUNTY, TEXAS					
HOUSTON					
14511 Falling Creek.....	1982	70,999	98.8	924	886
5225 Katy Freeway.....	1983	112,213	97.1	1,468	1,338
5300 Memorial.....	1982	155,099	98.8	2,298	2,257
1717 St. James Place.....	1975	109,574	93.2	1,348	1,298
1770 St. James Place.....	1973	103,689	84.2	1,263	1,205
10497 Town & Country Way.....	1981	148,434	78.4	1,766	1,666
POTTER COUNTY, TEXAS					
AMARILLO					
6900 IH - 40 West (8).....	1986	--	--	190	190

<CAPTION>

PERCENTAGE
OF TOTAL 2000
OFFICE,
OFFICE/FLEX,
AND INDUSTRIAL/
WAREHOUSE
BASE RENT (%)

2000
AVERAGE
PER SQ. FT.
(\$) (4) (6)

2000
AVERAGE
EFFECTIVE
RENT
PER SQ. FT.
(\$) (5) (6)

TENANTS LEASING 10%
OR MORE OF NET
RENTABLE AREA PER
PROPERTY AS OF
12/31/00 (6)

<S>	<C>	<C>	<C>	<C>
BEXAR COUNTY, TEXAS				
SAN ANTONIO				
200 Concord Plaza Drive.....	0.90	18.04	17.85	Merrill Lynch Pierce Fenner & Smith (12%)
84 N.E. Loop 410.....	0.53	15.11	15.01	Pacificare of Texas, Inc. (30%), KBL Cable, Inc. (26%), Kraft General Foods Inc. (25%)
1777 N.E. Loop 410.....	0.76	17.49	17.08	--
111 Soledad.....	0.54	11.36	10.97	SBC Communications, Inc. (38%)
COLLIN COUNTY, TEXAS				
PLANO				
555 Republic Place.....	0.29	17.08	16.18	William F. Smith Enterprises (22%), Target Corporation (14%)
DALLAS COUNTY, TEXAS				
DALLAS				
3030 LBJ Freeway (6).....	1.35	18.42	17.67	Club Corporation of America (39%)
3100 Monticello.....	0.57	16.73	16.31	Insignia Commercial, Inc. (23%), Time Marketing Corporation/Evans Group (12%), Heath Insurance Brokers, Inc. (11%), Tarragon Realty Adv. Inc. (11%), Summit Global Partners Texas (10%)
8214 Westchester.....	0.26	15.98	15.33	Preston Business Center, Inc. (16%), Malone

Mortgage

Trust Co. (11%)				Company America, Inc. (14%), State Bank &
IRVING				
2300 Valley View.....	0.39	13.70	12.86	Alltel Information Services, Inc. (18%),
Computer Task				Group, Inc. (12%), Tricon Restaurant
Services (12%),				US Personnel Inc. (12%)
RICHARDSON				
1122 Alma Road.....	0.13	7.35	7.35	MCI Telecommunications Corp. (100%)
HARRIS COUNTY, TEXAS				
HOUSTON				
14511 Falling Creek.....	0.19	13.17	12.63	Nationwide Mutual Insurance Company (17%)
5225 Katy Freeway.....	0.30	13.47	12.28	State of Texas (17%)
5300 Memorial.....	0.47	15.00	14.73	Drypers Corporation (20%), Datavox, Inc.
(20%),				
1717 St. James Place.....	0.28	13.20	12.71	HCI Chemicals USA, Inc. (19%)
1770 St. James Place.....	0.26	14.47	13.80	MCX Corp (14%)
Inc. (10%)				Neosoft Inc. (10%), Houston Interweb Design
10497 Town & Country Way.....	0.36	15.18	14.32	Vastar Resources, Inc. (23%)
POTTER COUNTY, TEXAS				
AMARILLO				
6900 IH - 40 West (8).....	0.04	--	--	--

</TABLE>

PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

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PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE		2000 BASE RENT (\$000'S) (2) (6)	2000 EFFECTIVE RENT (\$000'S) (3) (6)
			LEASED AS OF 12/31/00 (%) (1)			

<S>	<C>	<C>	<C>	<C>	<C>	<C>
TARRANT COUNTY, TEXAS						
EULESS						
150 West Parkway.....	1984	74,429	91.0		1,062	1,030
TRAVIS COUNTY, TEXAS						
AUSTIN						
1250 Capital of Texas Hwy. South (8)	1985	--	--		4,164	4,106

TOTAL TEXAS OFFICE		2,674,202	92.1		42,206	40,882

MARICOPA COUNTY, ARIZONA						
GLENDALE						
5551 West Talavi Boulevard.....	1991	181,596	100.0		1,730	1,722
PHOENIX						
19640 North 31st Street.....	1990	124,171	100.0		1,506	1,453
SCOTTSDALE						
9060 E. Via Linda Boulevard.....	1984	111,200	100.0		2,404	2,404

TOTAL ARIZONA OFFICE		416,967	100.0		5,640	5,579

ARAPAHOE COUNTY, COLORADO						
AURORA						
750 South Richfield Street.....	1997	108,240	100.0		2,911	2,911
DENVER						
400 South Colorado Boulevard.....	1983	125,415	97.8		2,182	2,108
ENGLEWOOD						
9359 East Nichols Avenue.....	1997	72,610	100.0		903	903
5350 South Roslyn Street.....	1982	63,754	100.0		1,054	1,033

BOULDER COUNTY, COLORADO

BROOMFIELD

105 South Technology Court.....	1997	37,574	100.0	541	541
303 South Technology Court-A.....	1997	34,454	100.0	396	396
303 South Technology Court-B.....	1997	40,416	100.0	464	464

<CAPTION>

	PERCENTAGE OF TOTAL 2000 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT (%)	2000 AVERAGE BASE RENT PER SQ. FT. (\$)	2000 AVERAGE EFFECTIVE RENT PER SQ. FT. (\$)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/00 (%)
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<S>	<C>	<C>	<C>	<C>
TARRANT COUNTY, TEXAS				
EULESS				
150 West Parkway.....	0.22	15.68	15.21	Warrantech Automotive, Inc. (40%), Realtors/Century 21 Inc. (17%), Cities (16%)
Mike Bowman				
Landmark Bank-Mid				

TRAVIS COUNTY, TEXAS

AUSTIN

1250 Capital of Texas Hwy. South (8)	0.86	--	--	--
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TOTAL TEXAS OFFICE	8.70	17.14	16.60	
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MARICOPA COUNTY, ARIZONA

GLENDALE

5551 West Talavi Boulevard.....	0.36	9.53	9.48	Honeywell, Inc. (100%)
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PHOENIX

19640 North 31st Street.....	0.31	12.13	11.70	American Express Travel Related (100%)
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SCOTTSDALE

9060 E. Via Linda Boulevard.....	0.50	21.62	21.62	Sentry Insurance (63%), PCS Health Systems Inc. (37%)
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TOTAL ARIZONA OFFICE	1.17	13.53	13.38	
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ARAPAHOE COUNTY, COLORADO

AURORA

750 South Richfield Street.....	0.60	26.89	26.89	T.R.W. Inc. (100%)
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DENVER

400 South Colorado Boulevard.....	0.45	17.79	17.19	Community Health Plan (32%), State of Colorado (12%), Senter Goldfarb & Rice LLC (11%)
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ENGLEWOOD

9359 East Nichols Avenue.....	0.19	12.44	12.44	First Tennessee Bank NA (100%)
5350 South Roslyn Street.....	0.22	16.53	16.20	Alliance Metro Real Estate (19%), Business Word Inc. (17%)

BOULDER COUNTY, COLORADO

BROOMFIELD

105 South Technology Court.....	0.11	14.40	14.40	Sun Microsystems Inc. (100%)
303 South Technology Court-A.....	0.08	11.49	11.49	Sun Microsystems Inc. (100%)
303 South Technology Court-B.....	0.10	11.48	11.48	Sun Microsystems Inc. (100%)

</TABLE>

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2000 AVERAGE BASE RENT PROPERTY SQ. FT. LOCATION (4) (6)	YEAR BUILT	PERCENTAGE		2000 BASE RENT (\$000'S) (2) (6)	2000 EFFECTIVE RENT (\$000'S) (3) (6)	PERCENTAGE OF TOTAL 2000 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT (%) (\$)	
		NET RENTABLE AREA (SQ. FT.)	LEASED AS OF 12/31/00 (%) (1)				
----- <S> <C> LOUISVILLE	<C>	<C>	<C>	<C>	<C>	<C>	<C>
248 Centennial Parkway..... 12.94	1996	39,266	100.0	508	507	0.10	
1172 Century Drive..... 12.93	1996	49,566	100.0	641	639	0.13	
285 Century Place..... 15.72	1997	69,145	100.0	1,087	1,087	0.22	
DENVER COUNTY, COLORADO							
DENVER							
3600 South Yosemite..... 9.62	1974	133,743	100.0	1,287	1,287	0.27	
DOUGLAS COUNTY, COLORADO							
ENGLEWOOD							
400 Inverness Drive..... 24.91	1997	111,608	99.9	2,777	2,759	0.57	
67 Inverness Drive East..... 12.53	1996	54,280	100.0	680	677	0.14	
384 Inverness Drive South..... 16.17	1985	51,523	100.0	833	809	0.17	
5975 South Quebec Street..... 23.11	1996	102,877	99.8	2,373	2,336	0.49	
PARKER							
9777 Pyramid Court..... 11.00	1995	120,281	100.0	1,323	1,323	0.27	
EL PASO COUNTY, COLORADO							
COLORADO SPRINGS							
8415 Explorer..... 12.90	1998	47,368	100.0	611	605	0.13	
1975 Research Parkway..... 14.60	1997	115,250	100.0	1,683	1,604	0.35	
2375 Telstar Drive..... 12.92	1998	47,369	100.0	612	605	0.13	
JEFFERSON COUNTY, COLORADO							
LAKEWOOD							
141 Union Boulevard..... 17.66	1985	63,600	98.9	1,111	1,047	0.23	
----- TOTAL COLORADO OFFICE 16.15		1,488,339	99.7	23,977	23,641	4.95	

<CAPTION>

PROPERTY LOCATION	2000 AVERAGE EFFECTIVE RENT PER SQ. FT. (\$ (5) (6)		TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/00 (6)	
	(5)	(6)	(5)	(6)
----- <S>	<C>	<C>	<C>	<C>

LOUISVILLE		
248 Centennial Parkway.....	12.91	Walnut Brewery Inc. (59%), Aircell Inc. (28%)
1172 Century Drive.....	12.89	Skyconnect Inc. (40%), Evolving Systems Inc. (22%), MCI Systemhouse Corp. (22%), RX Kinetix Inc. (16%)
285 Century Place.....	15.72	HBO & Company of Georgia (100%)
DENVER COUNTY, COLORADO		
DENVER		
3600 South Yosemite.....	9.62	MDC Holding Inc. (100%)
DOUGLAS COUNTY, COLORADO		
ENGLEWOOD		
400 Inverness Drive.....	24.75	Convergent Communications Inc. (26%), Ciber Inc. (22%), Compuware Corp. (19%), Ani Colorado Inc./Alliance Int'l (16%)
67 Inverness Drive East.....	12.47	T-Netix Inc. (69%), Convergent Communications Inc. (31%)
384 Inverness Drive South.....	15.70	Quickpen International Corp. (37%), United States of America - GSA (19%), Worth Group Architects (10%)
5975 South Quebec Street.....	22.75	Northern Telecom Inc. (43%), Silicon Graphics Inc. (28%), Qwest Communications Corp. (15%)
PARKER		
9777 Pyramid Court.....	11.00	Evolving System Inc. (100%)
EL PASO COUNTY, COLORADO		
COLORADO SPRINGS		
8415 Explorer.....	12.77	Enterprise Systems Group Inc. (52%), URS Greiner Consultants Inc. (39%)
1975 Research Parkway.....	13.92	Bombardier Capital Florida Inc. (52%), Concert Management Services (18%), General Dynamics Govt Systems (17%)
2375 Telstar Drive.....	12.77	Narwhal Corporation (45%), Memorial Hospital (39%), Aerotek Inc. (14%)
JEFFERSON COUNTY, COLORADO		
LAKEWOOD		
141 Union Boulevard.....	16.65	Arbitration Forums Inc. (18%), Frontier Real Estate - BH&G (15%)

--
TOTAL COLORADO OFFICE 15.92

</TABLE>

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PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

<TABLE>
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2000 AVERAGE BASE RENT PROPERTY PER SQ. FT. LOCATION (\$) (4) (6)	YEAR BUILT	PERCENTAGE		2000 BASE RENT (\$000'S) (2) (6)	2000 EFFECTIVE RENT (\$000'S) (3) (6)	PERCENTAGE OF TOTAL 2000 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT (%)
		NET RENTABLE AREA (SQ. FT.)	LEASED AS OF 12/31/00 (%) (1)			
795 Folsom Street..... 33.63	1977	183,445	100.0	6,170	5,426	1.27
760 Market Street..... 31.06	1908	267,446	98.0	8,140	7,965	1.68

TOTAL CALIFORNIA OFFICE 32.12		450,891	98.8	14,310	13,391	2.95

HILLSBOROUGH COUNTY, FLORIDA

TAMPA
 501 Kennedy Boulevard..... 1982 297,429 90.8 3,657 3,419 0.75
 13.54

 TOTAL FLORIDA OFFICE 297,429 90.8 3,657 3,419 0.75
 13.54

POLK COUNTY, IOWA
 WEST DES MOINES
 2600 Westown Parkway..... 1988 72,265 100.0 1,101 1,014 0.23
 15.24

 TOTAL IOWA OFFICE 72,265 100.0 1,101 1,014 0.23
 15.24

DOUGLAS COUNTY, NEBRASKA
 OMAHA
 210 South 16th Street (8)..... 1894 -- -- 2,876 2,875 0.59
 --

 TOTAL NEBRASKA OFFICE -- -- 2,876 2,875 0.59
 --

TOTAL OFFICE PROPERTIES 21,916,470 96.8 434,190 418,441 89.59
 20.87
 =====

<CAPTION>

PROPERTY LOCATION	2000 AVERAGE EFFECTIVE RENT PER SQ. FT. (\$)(5)(6)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/00 (6)
-------------------	--	--

<S>	<C>	<C>
SAN FRANCISCO COUNTY, CALIFORNIA		
SAN FRANCISCO		
795 Folsom Street.....	29.58	Move.com Operations Inc. (51%), AT&T Corp. (34%), Regus Business Centre Corp. (15%)
760 Market Street.....	30.39	R.H. Macy & Company, Inc. (19%)

 TOTAL CALIFORNIA OFFICE 30.06

HILLSBOROUGH COUNTY, FLORIDA
 TAMPA
 501 Kennedy Boulevard..... 12.66 Fowler, White, Gillen, Boggs, Villareal & Banker, PA (33%), Sykes Enterprises Inc. (22%)

 TOTAL FLORIDA OFFICE 12.66

POLK COUNTY, IOWA
 WEST DES MOINES
 2600 Westown Parkway..... 14.03 Magellan Behavioral Health (28%), New England Mutual Life Insurance Company (15%), American Express Financial Advisors, Inc. (15%), MCI Worldcom Communications (14%)

-
TOTAL IOWA OFFICE 14.03

-

DOUGLAS COUNTY, NEBRASKA
OMAHA
210 South 16th Street (8)..... -- --

-

TOTAL NEBRASKA OFFICE -- --

-

TOTAL OFFICE PROPERTIES 20.12
=====

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PROPERTY LISTING
OFFICE/FLEX PROPERTIES

<TABLE>
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2000 AVERAGE RENT PROPERTY SQ. FT. LOCATION (6)	YEAR BUILT	PERCENTAGE		2000 BASE RENT (\$000'S) (2) (6)	2000 EFFECTIVE RENT (\$000'S) (3) (6)	PERCENTAGE OF TOTAL 2000 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT (%)		BASE PER (\$) (4)
		NET RENTABLE AREA (SQ. FT.)	LEASED AS OF 12/31/00 (%) (1)			OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT (%)	BASE PER (\$) (4)	

<S>								
BURLINGTON COUNTY, NEW JERSEY								
BURLINGTON								
3 Terri Lane.....	1991	64,500	68.8	355	343	0.07		8.00
5 Terri Lane.....	1992	74,555	88.6	394	385	0.08		5.96
MOORESTOWN								
2 Commerce Drive.....	1986	49,000	100.0	363	363	0.07		7.41
101 Commerce Drive.....	1988	64,700	100.0	336	296	0.07		5.19
102 Commerce Drive.....	1987	38,400	87.5	185	184	0.04		5.51
201 Commerce Drive.....	1986	38,400	100.0	196	191	0.04		5.10
202 Commerce Drive.....	1988	51,200	100.0	268	268	0.06		5.23
1 Executive Drive.....	1989	20,570	100.0	172	143	0.04		8.36
2 Executive Drive (7).....	1988	60,800	100.0	352	343	0.07		7.47
101 Executive Drive.....	1990	29,355	80.0	140	119	0.03		5.96
102 Executive Drive.....	1990	64,000	90.0	351	308	0.07		6.09
225 Executive Drive.....	1990	50,600	86.2	333	312	0.07		7.63
97 Foster Road.....	1982	43,200	100.0	186	186	0.04		4.31
1507 Lancer Drive.....	1995	32,700	100.0	139	130	0.03		4.25
1510 Lancer Drive.....	1998	88,000	100.0	370	370	0.08		4.20
1256 North Church Street.....	1984	63,495	49.9	194	165	0.04		6.12
840 North Lenola Road.....	1995	38,300	100.0	266	265	0.05		6.95
844 North Lenola Road.....	1995	28,670	100.0	213	213	0.04		7.43
915 North Lenola Road (7).....	1998	52,488	100.0	131	131	0.03		5.33

<CAPTION>

PROPERTY LOCATION	2000 AVERAGE EFFECTIVE RENT PER SQ. FT. (\$)		TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/00 (%)
	(5)	(6)	(6)

<S>	<C>		<C>
BURLINGTON COUNTY, NEW JERSEY			
BURLINGTON			
3 Terri Lane.....	7.73		Tempel Steel Company (18%), ATC Group Services Inc. (10%), General Service Administrators (10%)
5 Terri Lane.....	5.83		United Rentals Inc. (22%), Lykes Dispensing Systems Inc. (20%), West Electronics Inc. (12%)
MOORESTOWN			
2 Commerce Drive.....	7.41		Computer Sciences Corporation (100%)
101 Commerce Drive.....	4.57		Beckett Corporation (100%)
102 Commerce Drive.....	5.48		Nelson Associates (25%), American Banknote Card Svcs. (13%), D&A Eastern Fasteners Inc. (13%), Moorestown Weightlifting Club (13%), Opex Corporation (13%), RGP Impressions Inc. (13%)
201 Commerce Drive.....	4.97		Flow Thru Metals Inc. (25%), Franchise Stores Realty Corp. (25%), RE/Com Group (25%), Tropicana Products Inc. (25%)
202 Commerce Drive.....	5.23		Standard Register Co. (100%)
1 Executive Drive.....	6.95		Bechtel Infrastructure Corp. (48%), T.T.I. (18%)
2 Executive Drive (7).....	7.28		CSI Computer Specialists Inc. (32%), Total Product Supply Inc. (18%), On-Campus Marketing Concepts (16%), Nia Zia D/B/A Alpha Academy (10%)
101 Executive Drive.....	5.07		Bayada Nurses Inc. (36%), Foundations Inc. (15%), ABC Financial (10%), Bechtel Infrastructure Corp. (10%)
102 Executive Drive.....	5.35		Comtrex Systems Corp. (29%), Kencom Communications & Svcs. (21%), PDLJB Corporation (20%), Schermerhorn Bros. Co. (20%)
225 Executive Drive.....	7.15		Eastern Research Inc. (77%)
97 Foster Road.....	4.31		Consumer Response Company Inc. (50%), Pioneer and Company Inc. (33%), Colornet Inc. (17%)
1507 Lancer Drive.....	3.98		Tad's Delivery Service Inc. (100%)
1510 Lancer Drive.....	4.20		Tad's Delivery Service Inc. (100%)
1256 North Church Street.....	5.21		James C. Anderson Associates (30%), Ketec Inc. (20%)
840 North Lenola Road.....	6.92		Millar Elevator Service Co. (31%), Omega Storage Inc. (31%), Technology Service Solutions (25%), Computer Integration Services (13%)
844 North Lenola Road.....	7.43		Lockheed Martin Corp. (41%), Curbell Inc. (33%), James J. Martin Inc. (25%)
915 North Lenola Road (7).....	5.33		Premier Percussion USA Inc. (37%), Don-Mar of Connecticut, LLC (23%), Riley Sales Inc. (18%), United States Postal Service (13%)

</TABLE>

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PROPERTY LISTING

OFFICE/FLEX PROPERTIES
(CONTINUED)

<TABLE>
<CAPTION>

2000 AVERAGE RENT PROPERTY SQ. FT. LOCATION (6)	YEAR BUILT	PERCENTAGE		2000 BASE RENT (\$000'S) (2) (6)	2000 EFFECTIVE RENT (\$000'S) (3) (6)	PERCENTAGE OF TOTAL 2000 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/WAREHOUSE BASE RENT (%)	
		NET RENTABLE AREA (SQ. FT.)	LEASED AS OF 12/31/00 (%) (1)			BASE RENT (%)	PER (%) (4)

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
30 Twosome Drive.....	1997	39,675	100.0	224	224	0.05	5.65
40 Twosome Drive.....	1996	40,265	93.4	165	165	0.03	4.39
50 Twosome Drive.....	1997	34,075	100.0	262	262	0.05	7.69

WEST DEPTFORD								
1451 Metropolitan Drive.....	1996	21,600	100.0	148	148	0.03	6.85	
MERCER COUNTY, NEW JERSEY								
HAMILTON TOWNSHIP								
100 Horizon Drive.....	1989	13,275	100.0	46	43	0.01	3.47	
200 Horizon Drive.....	1991	45,770	100.0	454	439	0.09	9.92	
300 Horizon Drive.....	1989	69,780	100.0	703	690	0.15	10.07	
500 Horizon Drive.....	1990	41,205	57.8	259	231	0.05	10.87	
MONMOUTH COUNTY, NEW JERSEY								
WALL TOWNSHIP								
1325 Campus Parkway.....	1988	35,000	100.0	370	354	0.08	10.57	
1340 Campus Parkway.....	1992	72,502	100.0	813	709	0.17	11.21	
1345 Campus Parkway.....	1995	76,300	100.0	710	706	0.15	9.31	
1433 Highway 34.....	1985	69,020	100.0	557	479	0.11	8.07	
1320 Wyckoff Avenue.....	1986	20,336	100.0	132	125	0.03	6.49	
1324 Wyckoff Avenue.....	1987	21,168	100.0	183	147	0.04	8.65	

<CAPTION>

PROPERTY LOCATION	2000 AVERAGE EFFECTIVE RENT PER SQ. FT. (\$)	(5)	(6)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/00	(6)
<S>	<C>	<C>			
30 Twosome Drive.....	5.65			Hartman Cards Inc. (28%), Sagot Office Interiors Inc. (24%), Aramark Sports Entertainment (14%), The Closet Factory (12%), C&L Packaging Inc. (12%), Mosler Inc. (10%)	
40 Twosome Drive.....	4.39			Neighborcare - TCI Inc. (49%), Marconi Communications Inc. (30%), Bellstar Inc. (14%)	
50 Twosome Drive.....	7.69			Wells Fargo Alarm Services (44%), Sussex Wine Merchants (42%), McCarthy Associates Inc. (14%)	
WEST DEPTFORD					
1451 Metropolitan Drive.....	6.85			Garlock Bearings Inc. (100%)	
MERCER COUNTY, NEW JERSEY					
HAMILTON TOWNSHIP					
100 Horizon Drive.....	3.24			PSEG Energy Technologies Inc. (100%)	
200 Horizon Drive.....	9.59			O.H.M. Remediation Services Corp. (100%)	
300 Horizon Drive.....	9.89			State of New Jersey/DEP (50%), Lucent Technologies Inc. (26%), Ward North America (14%), Stephen Gould of Pennsylvania (10%)	
500 Horizon Drive.....	9.70			Lakeview Child Center Inc. (19%), New Jersey Builders Assoc. (14%), Diedre Moire Corp. (11%)	
MONMOUTH COUNTY, NEW JERSEY					
WALL TOWNSHIP					
1325 Campus Parkway.....	10.11			Cisco Systems Inc. (100%)	
1340 Campus Parkway.....	9.78			Groundwater & Environmental Services Inc. (33%), GEAC Computers Inc. (22%), State Farm Mutual Insurance (17%), Association For Retarded Citizens (11%), Digital Lightwave, Inc. (11%)	
1345 Campus Parkway.....	9.25			Depot America, Inc. (37%), Quadramed Corp. (23%), De Vine Corp. (10%)	
1433 Highway 34.....	6.94			State Farm Mutual Insurance Co. (48%), CACI Technologies Inc. (18%), Depot America (12%), New Jersey Natural Gas Co (11%)	
1320 Wyckoff Avenue.....	6.15			The County of Monmouth (100%)	
1324 Wyckoff Avenue.....	6.94			Blackhawk Management Corp. (53%), Systems Fulfillment (25%), Supply Saver, Inc. (22%)	

</TABLE>

<TABLE>
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PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/00 (%) (1)		2000 BASE RENT (\$000'S) (2)	2000 EFFECTIVE RENT (\$000'S) (3) (6)	PERCENTAGE OF TOTAL 2000 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/WAREHOUSE BASE RENT (%)
			(%) (1)	(%) (1)	(6)	(6)	(6)

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
PASSAIC COUNTY, NEW JERSEY							
TOTOWA							
1 Center Court.....	1999	38,961	84.0		136	111	0.03
2 Center Court.....	1998	30,600	99.3		348	237	0.07
11 Commerce Way.....	1989	47,025	100.0		513	447	0.11
20 Commerce Way.....	1992	42,540	100.0		446	442	0.09
29 Commerce Way.....	1990	48,930	100.0		504	450	0.10
40 Commerce Way.....	1987	50,576	85.7		534	439	0.11
45 Commerce Way.....	1992	51,207	100.0		496	452	0.10
60 Commerce Way.....	1988	50,333	100.0		457	387	0.09
80 Commerce Way.....	1996	22,500	100.0		282	176	0.06
100 Commerce Way.....	1996	24,600	100.0		308	192	0.06
120 Commerce Way.....	1994	9,024	100.0		86	81	0.02
140 Commerce Way.....	1994	26,881	99.5		256	245	0.05

TOTAL NEW JERSEY OFFICE/FLEX		1,996,081	94.1		14,336	13,096	2.95

WESTCHESTER COUNTY, NEW YORK							
ELMSFORD							
11 Clearbrook Road.....	1974	31,800	100.0		316	310	0.07
75 Clearbrook Road.....	1990	32,720	100.0		816	816	0.17
150 Clearbrook Road.....	1975	74,900	93.8		1,029	998	0.21

<CAPTION>

PROPERTY LOCATION	2000 AVERAGE BASE RENT PER SQ. FT. (\$) (4) (6)	2000 AVERAGE EFFECTIVE RENT PER SQ. FT. (\$) (5) (6)	2000 TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/00 (6)

<S>	<C>	<C>	<C>
PASSAIC COUNTY, NEW JERSEY			
TOTOWA			
1 Center Court.....	4.16	3.39	Rock-Tenn Converting Company (46%), Eizo Nanao Technologies Inc. (38%)
2 Center Court.....	11.45	7.80	Nomadic Display (36%), Electro Rent Corp. (33%),
Alpine			Electronics of America (30%)
11 Commerce Way.....	10.91	9.51	Coram Alternative Site Services (56%), D.A. Kopp & Associates
Inc. (11%)			Inc. (22%), Olsten Health Services (11%), Ericsson
20 Commerce Way.....	10.48	10.39	Emersub LXXXVII Inc. (41%), Lodan Totowa Inc. F/K/A Emersub (21%), Dish Network Service Corp. (14%)
29 Commerce Way.....	10.30	9.20	Sandvik Sorting Systems, Inc. (44%), Patterson Dental Supply
			Inc. (23%), Fujitec America Inc. (22%), Williams Communications LLC (11%)
40 Commerce Way.....	12.32	10.13	Thomson Electron Tubes (43%), Intertek Testing
Services Inc.			(29%), System 3R USA Inc. (14%)
45 Commerce Way.....	9.69	8.83	Ericsson Inc. (52%), Woodward Clyde

60 Commerce Way.....	9.08	7.69	Consultants (27%), Oakwood Corporate Housing (21%) Ericsson Inc. (29%), Jen Mar Graphics Inc. (27%), Traynor Building Prod (16%), Prestige Telecom Ltd. (14%), HW Exhibits (14%)
80 Commerce Way.....	12.53	7.82	Learning Stop LLC (40%), Idexx Veterinary Services Inter-American Safety Council (12%)
100 Commerce Way.....	12.52	7.80	Pharmerica Inc. (34%), Minolta Business Systems Inc. CCH Incorporated (32%)
120 Commerce Way.....	9.53	8.98	Senior Care Centers of America (100%)
140 Commerce Way.....	9.57	9.16	Universal Hospital Services (29%), Advanced Image Systems Inc. (20%), MSR Publications Inc. (19%), Holder Group Inc. (11%), Alpha Testing (10%), Showa Tool USA, Inc. (10%)

TOTAL NEW JERSEY OFFICE/FLEX	7.77	7.11	
------------------------------	------	------	--

WESTCHESTER COUNTY, NEW YORK
ELMSFORD

11 Clearbrook Road.....	9.94	9.75	Creative Medical Supplies (28%), Eastern Jungle Gym Inc. (21%), (27%), MCS Marketing Group Inc. (24%), Treetops Inc.
75 Clearbrook Road.....	24.94	24.94	Evening Out Inc. (100%)
150 Clearbrook Road.....	14.65	14.21	Sportive Ventures I LLC (24%), Philips Medical Systems N.A. (18%), Transwestern Publications (12%), ADT Security Services Inc. (11%)

</TABLE>

PROPERTY LISTING
OFFICE/FLEX PROPERTIES
(CONTINUED)

<TABLE>
<CAPTION>

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/00 (%) (1)	2000 BASE RENT (\$000'S) (2) (6)	2000 EFFECTIVE RENT (\$000'S) (3) (6)	PERCENTAGE OF TOTAL 2000 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT (%)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
175 Clearbrook Road.....	1973	98,900	98.5	1,450	1,405	0.30
200 Clearbrook Road.....	1974	94,000	99.8	1,208	1,139	0.25
250 Clearbrook Road.....	1973	155,000	94.5	1,331	1,256	0.27
50 Executive Boulevard.....	1969	45,200	97.2	382	373	0.08
77 Executive Boulevard.....	1977	13,000	55.4	130	128	0.03
85 Executive Boulevard.....	1968	31,000	99.4	396	388	0.08
300 Executive Boulevard.....	1970	60,000	99.7	597	577	0.12
350 Executive Boulevard.....	1970	15,400	98.8	252	252	0.05
399 Executive Boulevard.....	1962	80,000	100.0	968	931	0.20
400 Executive Boulevard.....	1970	42,200	100.0	645	583	0.13
500 Executive Boulevard.....	1970	41,600	100.0	614	587	0.13
525 Executive Boulevard.....	1972	61,700	100.0	888	864	0.18
1 Westchester Plaza.....	1967	25,000	100.0	301	286	0.06
2 Westchester Plaza.....	1968	25,000	100.0	447	436	0.09
3 Westchester Plaza.....	1969	93,500	100.0	1,142	1,126	0.24

4 Westchester Plaza.....	1969	44,700	99.8	629	604	0.13
5 Westchester Plaza.....	1969	20,000	100.0	304	295	0.06
6 Westchester Plaza.....	1968	20,000	100.0	296	278	0.06
7 Westchester Plaza.....	1972	46,200	100.0	649	641	0.13
8 Westchester Plaza.....	1971	67,200	97.2	881	776	0.18
HAWTHORNE						
200 Saw Mill River Road.....	1965	51,100	100.0	626	599	0.13

<CAPTION>

	2000 AVERAGE BASE RENT PER SQ. FT. (\$ (4) (6)	AVERAGE EFFECTIVE RENT PER SQ. FT. (\$ (5) (6)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/00 (6)

<S>	<C>	<C>	<C>
175 Clearbrook Road..... Inc.	14.88	14.42	Nextel of New York Inc. (35%), Hypres Inc. (15%), Perk-Up (10%)
200 Clearbrook Road.....	12.88	12.14	Brunschwig & Fils Inc. (39%), Proftech Corp (20%)
250 Clearbrook Road..... Prints	9.09	8.57	AFP Imaging Corp (31%), The Artina Group Inc. (14%), Plus Inc. (13%), Conri Services Inc. (10%), Merrill- Sharpe
50 Executive Boulevard.....	8.69	8.49	Ltd (10%) MMO Music Group (74%), Medcon Financial Services Inc. (22%)
77 Executive Boulevard.....	18.05	17.77	Bright Horizons Children Center (55%)
85 Executive Boulevard.....	12.85	12.59	VREX Inc (49%), Westhab Inc. (21%), Wald Optics Laboratory Inc. (13%), Saturn II Systems Inc. (11%)
300 Executive Boulevard..... (31%),	9.98	9.65	Princeton Ski Outlet Corp. (57%), Varta Batteries Inc. LMG International Inc. (12%)
350 Executive Boulevard.....	16.56	16.56	Copytex Corp. (99%)
399 Executive Boulevard.....	12.10	11.64	American Banknote Holographic (73%), Wine Enthusiast Inc. (15%), Brandon of Westchester (12%)
400 Executive Boulevard.....	15.28	13.82	Baker Engineering NY, Inc. (39%), Ultra Fabrics Inc. (25%)
500 Executive Boulevard.....	14.76	14.11	Original Consume (36%), Dover Elevator Co. (16%), Angelica Corp. (16%), Olympia Sports Inc. (13%), Philips Medical Systems N.A. (13%)
525 Executive Boulevard.....	14.39	14.00	Vie De France Yamazaki Inc. (59%), New York Blood Center Inc. (21%)
1 Westchester Plaza.....	12.04	11.44	British Apparel (40%), Thin Film Concepts Inc. (20%), RS Knapp (20%), JT Lynne Representatives (20%)
2 Westchester Plaza.....	17.88	17.44	Board of Cooperative Education (80%), Kin-Tronics (11%)
3 Westchester Plaza.....	12.21	12.04	Reveo Inc. (51%), Kangol Headwear (28%), Esperya USA Inc. (12%)
4 Westchester Plaza.....	14.10	13.54	Metropolitan Life Insurance (38%), EEV Inc. (34%), Arsys Innotech Corp. (13%)
5 Westchester Plaza.....	15.20	14.75	Fujitsu Network Communications (38%), Rokonet Industries USA Inc. (25%), UA Plumbers Education Fund (25%), Furniture Etc. Inc. (12%)
6 Westchester Plaza..... (28%),	14.80	13.90	Pinkerton Systems Integration (28%), Xerox Corporation Game Parts Inc. (24%), Girard Rubber Co. (12%)
7 Westchester Plaza.....	14.05	13.87	Emigrant Savings Bank (69%), Fire End Croker Corp. (22%)
8 Westchester Plaza.....	13.49	11.88	Mamiya America Corp. (24%), Ciba Specialty Chemicals Corp. (17%), Kubra Data Transfer Ltd. (15%)
HAWTHORNE			
200 Saw Mill River Road.....	12.25	11.72	Walter DeGruyter Inc. (21%), Abscoa Industries Inc. (18%), TJ Quatroni Plumbing and Heat (17%), Cablevision Inc. (12%), SI International Instruments Inc. (10%)
Lightpath			

</TABLE>

PROPERTY LISTING

OFFICE/FLEX PROPERTIES
(CONTINUED)

<TABLE>
<CAPTION>

2000 AVERAGE BASE RENT PROPERTY PER SQ. FT. LOCATION (\$)(4)(6)	YEAR BUILT	PERCENTAGE		2000 BASE RENT (\$000'S)(2)(6)	2000 EFFECTIVE RENT (\$000'S)(3)(6)	OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT(%)
		NET RENTABLE AREA (SQ. FT.)	LEASED AS OF 12/31/00 (%)(1)			

<S>	<C>	<C>	<C>	<C>	<C>	<C>
<C>						
4 Skyline Drive..... 15.78	1987	80,600	99.6	1,267	1,155	0.26
8 Skyline Drive..... 17.27	1985	50,000	98.9	854	717	0.18
10 Skyline Drive..... 14.15	1985	20,000	100.0	283	262	0.06
11 Skyline Drive..... 15.31	1989	45,000	100.0	689	641	0.14
12 Skyline Drive..... 17.20	1999	46,850	100.0	806	646	0.17
15 Skyline Drive..... 18.27	1989	55,000	100.0	1,005	912	0.21
YONKERS						
100 Corporate Boulevard..... 18.26	1987	78,000	98.2	1,399	1,338	0.29
200 Corporate Boulevard South.... 16.46	1990	84,000	99.8	1,380	1,350	0.28
4 Executive Plaza..... 12.98	1986	80,000	98.7	1,025	973	0.21
6 Executive Plaza..... 13.88	1987	80,000	100.0	1,110	1,093	0.23
1 Odell Plaza..... 12.65	1980	106,000	93.7	1,256	1,221	0.26
5 Odell Plaza..... 14.01	1983	38,400	99.6	536	528	0.11
7 Odell Plaza..... 15.27	1984	42,600	99.6	648	634	0.13

TOTAL NEW YORK OFFICE/FLEX 13.99		2,076,570	98.3	28,555	27,118	5.88

FAIRFIELD COUNTY, CONNECTICUT						
STAMFORD						
419 West Avenue..... 17.96	1986	88,000	94.0	1,486	1,460	0.31
500 West Avenue..... 16.88	1988	25,000	100.0	422	384	0.09
550 West Avenue..... 14.54	1990	54,000	100.0	785	663	0.16
600 West Avenue..... 10.94	1999	66,000	100.0	722	685	0.15

<CAPTION>

2000
AVERAGE
EFFECTIVE
RENT
PROPERTY
PER SQ. FT.

TENANTS LEASING 10%
OR MORE OF NET
RENTABLE AREA PER
PROPERTY AS OF

LOCATION	(\$)(5)(6)	12/31/00 (6)
<S>	<C>	<C>
4 Skyline Drive.....	14.39	Alstom USA Inc. (27%), Evonyx Inc. (23%)
8 Skyline Drive.....	14.50	Clientsoft Inc. (70%), Evonyx Inc. (29%)
10 Skyline Drive.....	13.10	Bi-Tronic Inc/LCA Sales Corp. (51%), Phoenix Systems Int'l (32%), ENSR Corp. (17%)
11 Skyline Drive.....	14.24	Cube Computer Corp. (76%), Agathon Machine Tools Inc. (12%)
12 Skyline Drive.....	13.79	Creative Visual Enterprises (38%), Medelec Inc. (32%), Savin Corporation (30%)
15 Skyline Drive.....	16.58	Tellabs Operations Inc. (47%), Emisphere Technology Assoc. (23%), Minolta Business Solutions (16%), Acorda Therapeutics Inc. (14%)
YONKERS		
100 Corporate Boulevard.....	17.47	Montefiore Medical Center (28%), Sempra Energy Trading Corp. (13%), Minami International Corp. (12%), Otis Elevator Company (11%), Genzyme Genetics Corp. (11%)
200 Corporate Boulevard South....	16.10	Belmay Inc. (32%), Montefiore Medical Center (23%), Advanced Viral Research Corp. (20%), Micromold Products Inc. (10%)
4 Executive Plaza.....	12.32	Wide Contact US Optical Corp. (32%), E&B Giftware Inc. (22%), TT Systems LLC (10%)
6 Executive Plaza.....	13.66	Cablevision Systems Corp. (40%), CSC Holdings Inc. (12%), Yonkers Savings & Loan Assoc. (11%), Empire Managed Care Inc. (10%)
1 Odell Plaza.....	12.29	Sportive Ventures 2 LLC (19%), Market Dynamics Group LLC (11%)
5 Odell Plaza.....	13.81	Voyetra Technologies Inc. (44%), Photo File Inc. (34%), Pharmacia Inc. (22%)
7 Odell Plaza.....	14.94	US Postal Service (41%), TT Systems Company (24%), Bright Horizons Childrens Center (16%)

TOTAL NEW YORK OFFICE/FLEX	13.28	

FAIRFIELD COUNTY, CONNECTICUT		
STAMFORD		
419 West Avenue.....	17.65	Fuji Medical Systems USA Inc. (80%)
500 West Avenue.....	15.36	Peppers and Rogers Group/Mark (35%), Lead Trackers Inc. (28%), Convergent Communications Inc. (26%), M Cohen and Sons Inc. (11%)
550 West Avenue.....	12.28	Lifecodes Corp. (68%), Davidoff of Geneva (CT) Inc. (32%)
600 West Avenue.....	10.38	Clarence House Imports, Ltd (100%)

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PROPERTY LISTING

OFFICE/FLEX PROPERTIES
(CONTINUED)

<TABLE>
<CAPTION>

2000 AVERAGE BASE RENT PROPERTY PER SQ. FT. LOCATION (\$)(4)(6)	YEAR BUILT	PERCENTAGE		2000 BASE RENT (\$000'S)(2)(6)	2000 EFFECTIVE RENT (\$000'S)(3)(6)	PERCENTAGE OF TOTAL 2000 OFFICE, AND INDUSTRIAL/ WAREHOUSE BASE RENT(%)
		NET RENTABLE AREA (SQ. FT.)	LEASED AS OF 12/31/00 (%)(1)			
650 West Avenue 13.88	1998	40,000	100.0	555	441	0.11

TOTAL CONNECTICUT OFFICE/FLEX 14.83		273,000	98.1	3,970	3,633	0.82

TOTAL OFFICE/FLEX PROPERTIES 11.25		4,345,651	96.4	46,861	43,847	9.65

<CAPTION>

PROPERTY LOCATION	2000 AVERAGE EFFECTIVE RENT PER SQ. FT. (\$ (5) (6))	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/00 (6)
<S> 650 West Avenue	<C> 11.03	<C> Davidoff of Geneva (CT) Inc. (100%)
TOTAL CONNECTICUT OFFICE/FLEX	13.57	
TOTAL OFFICE/FLEX PROPERTIES	10.53	

</TABLE>

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PROPERTY LISTING

INDUSTRIAL/WAREHOUSE PROPERTIES

<TABLE>
<CAPTION>

2000 AVERAGE BASE RENT PROPERTY PER SQ. FT. LOCATION (\$ (4) (6))	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/00 (%) (1)	2000 BASE RENT (\$000'S) (2) (6)	2000 EFFECTIVE RENT (\$000'S) (3) (6)	PERCENTAGE OF TOTAL 2000 OFFICE, AND INDUSTRIAL/WAREHOUSE
						OFFICE/FLEX, AND INDUSTRIAL/WAREHOUSE BASE RENT (%)
<S> <C> WESTCHESTER COUNTY, NEW YORK ELMSFORD						<C>
1 Warehouse Lane..... 8.64	1957	6,600	100.0	57	56	0.01
2 Warehouse Lane..... 10.92	1957	10,900	100.0	119	113	0.02
3 Warehouse Lane..... 3.76	1957	77,200	100.0	290	279	0.06
4 Warehouse Lane..... 10.17	1957	195,500	97.4	1,936	1,890	0.40
5 Warehouse Lane..... 10.61	1957	75,100	97.1	774	706	0.16
6 Warehouse Lane..... 23.21	1982	22,100	100.0	513	511	0.11
TOTAL INDUSTRIAL/WAREHOUSE PROPERTIES 9.70		387,400	98.1	3,689	3,555	0.76
TOTAL OFFICE, OFFICE/FLEX, AND INDUSTRIAL/WAREHOUSE PROPERTIES 19.14		26,649,521	96.8	484,740	465,843	100.0

<CAPTION>

PROPERTY LOCATION	AVERAGE EFFECTIVE RENT PER SQ. FT. (\$)(5)(6)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/00 (6)

<S>	<C>	<C>
WESTCHESTER COUNTY, NEW YORK		
ELMSFORD		
1 Warehouse Lane.....	8.48	JP Trucking Service Center Inc. (100%)
2 Warehouse Lane.....	10.37	RJ Bruno Roofing Inc. (55%), Teleport Communications Group (41%)
3 Warehouse Lane.....	3.61	United Parcel Service (100%)
4 Warehouse Lane.....	9.93	San Mar Laboratories Inc. (63%), Westinghouse Air Brake Co. Inc. (14%)
5 Warehouse Lane.....	9.68	Great Spring Waters of America (48%), Chamart Exclusives Inc. (16%), E & H Tire Buying Service Inc. (11%)
6 Warehouse Lane.....	23.12	Conway Central Express (100%)

TOTAL INDUSTRIAL/WAREHOUSE PROPERTIES	9.35	

TOTAL OFFICE, OFFICE/FLEX, AND INDUSTRIAL/WAREHOUSE PROPERTIES	18.40	
=====		

</TABLE>

- (1) Based on all leases in effect as of December 31, 2000.
- (2) Total base rent for 2000, determined in accordance with generally accepted accounting principles ("GAAP"). Substantially all of the leases provide for annual base rents plus recoveries and escalation charges based upon the tenant's proportionate share of and/or increases in real estate taxes and certain operating costs, as defined, and the pass through of charges for electrical usage.
- (3) Total base rent for 2000 minus total 2000 amortization of tenant improvements, leasing commissions and other concessions and costs, determined in accordance with GAAP.
- (4) Base rent for 2000 divided by net rentable square feet leased at December 31, 2000. For those properties acquired or placed in service during 2000, amounts are annualized, as per Note 7.
- (5) Effective rent for 2000 divided by net rentable square feet leased at December 31, 2000. For those properties acquired or placed in service during 2000, amounts are annualized, as per Note 7.
- (6) Excludes space leased by the Company.
- (7) As this property was acquired or placed in service by the Company during 2000, the amounts represented in 2000 base rent and 2000 effective rent reflect only that portion of the year during which the Company owned or placed the property in service. Accordingly, these amounts may not be indicative of the property's full year results. For comparison purposes, the amounts represented in 2000 average base rent per sq. ft. and 2000 average effective rent per sq. ft. for this property have been calculated by taking 2000 base rent and 2000 effective rent for such property and annualizing these partial-year results, dividing such annualized amounts by the net rentable square feet leased at December 31, 2000. These annualized per square foot amounts may not be indicative of the property's results had the Company owned or placed such property in service for the entirety of 2000.
- (8) The property was sold by the Company in 2000.
- (9) Calculation based on square feet in service as of December 31, 2000.

RETAIL PROPERTIES

The Company owned two stand-alone retail properties as of December 31, 2000, as described below:

The Company owns an 8,000 square foot restaurant, constructed in 1986, located at 2 Executive Plaza in the South Westchester Executive Park in Yonkers, Westchester County, New York. The restaurant is 100 percent leased to Magic at Yonkers, Inc. for use as a Red Robin restaurant under a 25-year lease. The lease currently provides for fixed annual base rent of \$265,000, with fully-reimbursed real estate taxes, and operating expenses escalated based on the consumer price index ("CPI") over a base year CPI. The lease, which expires in June 2012, includes scheduled rent increases in July 2002 to approximately \$300,000 annually, and in July 2007 to approximately \$345,000 annually. The lease also provides for additional rent calculated as a percentage of sales over a specified sales amount, as well as for two five-year renewal options. 2000 total base rent for the property, calculated in accordance with GAAP, was approximately \$345,558.

The Company also owns a 9,300 square foot restaurant, constructed in 1984, located at 230 White Plains Road, Tarrytown, Westchester County, New York. The restaurant is 100 percent leased to TGI Friday's under a 10-year lease which provides for fixed annual base rent of approximately \$195,000, with fully-reimbursed real estate taxes, and operating expenses escalated based on CPI over a base year CPI. The lease, which expires in August 2004, also provides for additional rent calculated as a percentage of sales over a specified sales amount, as well as for four five-year renewal options. 2000 total base rent for the property, calculated in accordance with GAAP, was approximately \$186,241.

LAND LEASES

The Company owned three land parcels, which were leased as of December 31, 2000, as described below:

The Company leases land to Star Enterprises, on which a 2,264 square-foot Texaco gas station was constructed, located at 1 Enterprise Boulevard in Yonkers, Westchester County, New York. The 15-year, triple-net land lease provides for annual rent of approximately \$145,000 and expires in April 2005. The lease also provides for two five-year renewal options. 2000 total base rent under this lease, calculated in accordance with GAAP, was approximately \$143,972.

The Company also leases five acres of land to Rake Realty, on which a 103,500 square-foot office building exists, located at 700 Executive Boulevard, Elmsford, Westchester County, New York. The 22-year, triple-net land lease provides for fixed annual rent plus a CPI adjustment every five years, and expires in November 2018. 2000 total base rent under this lease, calculated in accordance with GAAP, was approximately \$97,744. The lease also provides for several renewal options which could extend the lease term for an additional 30 years.

The Company also leases 27.7 acres of land to Home Depot, on which a 134,000 square-foot retail store was constructed, located at the Company's Horizon Center Business Park, Hamilton Township, Mercer County, New Jersey. The net lease, which began on February 1, 1999, provides for annual rent of approximately \$298,000 through the fifth year of the lease and fixed annual rent plus a CPI adjustment every five years for the years thereafter and expires in January 2094. The lease also provides an option for Home Depot to purchase the land in 2002. 2000 total base rent under this lease, calculated in accordance with GAAP, was approximately \$260,750.

MULTI-FAMILY RESIDENTIAL PROPERTIES

The Company owned two multi-family residential properties, as of December 31, 2000, as described below:

TENBY CHASE APARTMENTS, DELRAN, BURLINGTON COUNTY, NEW JERSEY: The Company's multi-family residential property, known as the Tenby Chase Apartments, was built in 1970. The property contains 327 units, comprised of 196 one-bedroom units and 131 two-bedroom units, with an average size of approximately 1,235 square feet per unit. The property had an average monthly rental rate of approximately \$753 per unit during 2000 and was approximately 97.5 percent leased as of December 31, 2000. The property had 2000 total base rent of approximately \$2.9 million, which represented approximately 0.6 percent of the Company's 2000 total base rent. The average occupancy rate for the property in each of 2000, 1999 and 1998 was 96.8 percent, 97.1 percent and 96.0 percent, respectively.

25 MARTINE AVENUE, WHITE PLAINS, WESTCHESTER COUNTY, NEW YORK: The Company's multi-family residential property, known as 25 Martine Avenue, was built in 1987. The property contains 124 residential units, comprised of 18 studio units, 71 one-bedroom units and 35 two-bedroom units, with an average size of approximately 722 square feet per unit. The property had an average monthly rental rate of approximately \$1,658 per unit during 2000 and was 97.0 percent leased as of December 31, 2000. The property also has retail space. The property had 2000 total base rent of approximately \$2.5 million, which represented approximately 0.5 percent of the Company's 2000 total base rent. The average occupancy rate for the property in each of 2000, 1999 and 1998 was 96.5 percent, 96.8 percent and 96.4 percent, respectively.

OCCUPANCY

The table below sets forth the year-end percentages of rentable square feet leased in the Company's in-service Consolidated Properties for the last five years:

<TABLE>
<CAPTION>

Year ended December 31,	Percentage of Square Feet Leased (%)
<S>	<C>
2000	96.8

1999	96.5
1998	96.6
1997	95.8
1996	96.4

</TABLE>

SIGNIFICANT TENANTS

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

Year of Lease		Number of Properties	Annualized Base Rental Revenue (\$)	Percentage of Company Annualized Base Rental Revenue (%)	Square Feet Leased	Percentage of Total Company Leased Sq. Ft.
(%)	Expiration		(1)			
<S>	<C>	<C>	<C>	<C>	<C>	<C>
AT&T Wireless Services	2007 (2)	2	8,527,197	1.8	395,955	1.6
Donaldson, Lufkin & Jenrette Securities Corp.	2011	1	8,316,096	1.7	271,953	1.1
Keystone Mercy Health Plan	2015 (3)	3	7,429,219	1.6	325,843	1.3
AT&T Corporation	2009 (4)	2	7,268,746	1.5	450,278	1.8
Prentice-Hall Inc.	2014	1	6,744,495	1.4	474,801	1.9
IBM Corporation	2007 (5)	3	6,390,275	1.3	361,688	1.4
Toys 'R' Us - NJ, Inc.	2012	1	5,342,672	1.1	242,518	1.0
Waterhouse Securities, Inc.	2015	1	5,253,555	1.1	184,222	0.7
Nabisco Inc.	2005 (6)	3	5,183,132	1.1	310,243	1.2
American Institute of Certified Public Accountants	2012	1	4,981,357	1.0	249,768	1.0
Allstate Insurance Company	2009 (7)	9	4,727,383	1.0	224,321	0.9
Board of Gov./Federal Reserve	2009 (8)	1	4,705,391	1.0	117,008	0.5
Winston & Strawn	2003	1	4,381,770	0.9	108,100	0.4
Dean Witter Trust Company	2008	1	4,319,507	0.9	221,019	0.9
CMP Media Inc.	2014	1	4,206,598	0.9	206,274	0.8
KPMG Peat Marwick, LLP	2007 (9)	2	3,824,080	0.8	161,760	0.6
Move.com Operations, Inc.	2006	1	3,796,680	0.8	94,917	0.4
Regus Business Centre Corp.	2011(10)	3	3,680,880	0.8	107,805	0.4
Bank of Tokyo - Mitsubishi Ltd.	2009	1	3,378,924	0.7	137,076	0.5
Bankers Trust Harborside Inc.	2003	1	3,272,500	0.7	385,000	1.5
Totals			105,730,457	22.1	5,030,549	19.9

</TABLE>

(1) Annualized base rental revenue is based on actual December 2000 billings times 12. For leases whose rent commences after January 1, 2001, annualized base rental revenue is based on the first full month's billing times 12. As

annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.

- (2) 12,150 square feet expire September 2004; 345,799 square feet expire March 2007; 38,006 square feet expire June 2007.
- (3) 22,694 square feet expire January 2003; 303,149 square feet expire April 2015.
- (4) 63,278 square feet expire May 2004; 387,000 square feet expire January 2009.
- (5) 28,289 square feet expire January 2002; 85,000 square feet expire December 2005; 248,399 square feet expire December 2007.
- (6) 9,865 square feet expire September 2001; 300,378 square feet expire December 2005.
- (7) 18,882 square feet expire April 2003; 4,398 square feet expire January 2004; 36,305 square feet expire January 2005; 23,024 square feet expire October 2005; 22,444 square feet expire July 2006; 6,108 square feet expire August 2006; 70,517 square feet expire June 2007; 31,143 square feet expire April 2008; 11,500 square feet expire April 2009.
- (8) 94,719 square feet expire May 2005; 22,289 square feet expire July 2009.
- (9) 104,556 square feet expire September 2002; 57,204 square feet expire July 2007.
- (10) 28,000 square feet expire August 2010; 38,930 square feet expire April 2011; 40,875 square feet expire August 2011.

SCHEDULE OF LEASE EXPIRATIONS

The following table sets forth a schedule of the lease expirations for the total of the Company's office, office/flex, industrial/warehouse and stand-alone retail properties, included in the Consolidated Properties, beginning January 1, 2001, assuming that none of the tenants exercise renewal options:

<TABLE>
<CAPTION>

Percentage Of Annual Base Rent Under Year Of Expiring Leases (%)	Number Of Leases Expiring (1)	Net Rentable Area Subject To Expiring Leases (Sq. Ft.)	Percentage Of Total Leased Square Feet Represented By Expiring Leases (%) (2)	Annualized Base Rental Revenue Under Expiring Leases (\$) (3)	Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases (\$)
2001..... 9.2	<C> 531	<C> 2,639,934	<C> 10.4	<C> 43,613,737	<C> 16.52
2002..... 11.8	515	3,150,437	12.4	56,082,268	17.80
2003..... 14.2	506	3,831,520	15.1	67,498,472	17.62
2004..... 9.5	350	2,378,899	9.4	45,239,146	19.02
2005..... 13.2	346	3,167,520	12.5	62,884,809	19.85
2006..... 8.1	163	1,899,748	7.5	38,795,616	20.42
2007..... 6.8	72	1,565,437	6.2	32,235,634	20.59
2008..... 4.1	51	1,149,547	4.5	19,628,343	17.07
2009..... 4.5	39	1,113,494	4.4	21,644,393	19.44
2010..... 4.8	77	1,167,775	4.6	23,066,952	19.75
2011..... 4.7	27	1,010,078	4.0	22,213,067	21.99
2012 and thereafter	40	2,301,556	9.0	43,724,798	19.00

 Totals/Weighted
 Average 2,717 25,375,945 (4) 100.0 476,627,235 18.78
 100.0
 =====

</TABLE>

- (1) Includes office, office/flex, industrial/warehouse and stand-alone retail property tenants only. Excludes leases for amenity, retail, parking and month-to-month tenants. Some tenants have multiple leases.
- (2) Excludes all unleased space as of December 31, 2000.
- (3) Annualized base rental revenue is based on actual December 2000 billings times 12. For leases whose rent commences after January 1, 2001, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.
- (4) Reconciliation to Company's total net rentable square footage is as follows:

<TABLE>
 <CAPTION>

Total	Square Feet	Percentage of

Square footage leased to commercial tenants	25,375,945	95.2%
Square footage used for corporate offices, management offices, building use, retail tenants, food services, other ancillary service tenants and occupancy adjustments	426,862	1.6
Square footage unleased	864,014	3.2

Total net rentable square footage (does not include residential, land lease, retail or not-in-service properties)	26,666,821	100.0%
=====		

</TABLE>

SCHEDULE OF LEASE EXPIRATIONS: OFFICE PROPERTIES

The following table sets forth a schedule of the lease expirations for the office properties beginning January 1, 2001, assuming that none of the tenants exercise renewal options:

<TABLE>
 <CAPTION>

Percentage Of Annual Base Rent Under Year Of Expiring Leases (%)	Number Of Leases Expiring (1)	Net Rentable Area Subject To Expiring Leases (Sq. Ft.)	Percentage Of Total Leased Square Feet Represented By Expiring Leases (%) (2)	Annualized Base Rental Revenue Under Expiring Leases (\$) (3)	Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases (\$)

<S>	<C>	<C>	<C>	<C>	<C>
2001..... 8.7	436	1,996,939	9.6	36,827,326	18.44
2002..... 11.2	410	2,318,146	11.1	47,490,669	20.49
2003..... 14.3	422	3,152,850	15.2	60,794,043	19.28
2004..... 9.2	293	1,814,213	8.7	38,785,904	21.38
2005..... 13.4	290	2,676,685	12.9	56,812,992	21.23
2006..... 7.9	137	1,554,837	7.5	33,508,335	21.55
2007..... 7.1	64	1,430,006	6.9	30,260,900	21.16

2008..... 4.3	45	964,500	4.6	18,204,342	18.87
2009..... 4.6	26	971,232	4.7	19,654,067	20.24
2010..... 4.3	53	855,944	4.1	18,361,508	21.45
2011..... 5.1	24	949,167	4.6	21,495,631	22.65
2012 and thereafter 9.9	35	2,115,868	10.1	41,494,249	19.61

Totals/Weighted Average 100.0	2,235	20,800,387	100.0	423,689,966	20.37
=====					

</TABLE>

- (1) Includes office tenants only. Excludes leases for amenity, retail, parking and month-to-month office tenants. Some tenants have multiple leases.
- (2) Excludes all unleased space as of December 31, 2000.
- (3) Annualized base rental revenue is based on actual December 2000 billings times 12. For leases whose rent commences after January 1, 2001, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.

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SCHEDULE OF LEASE EXPIRATIONS: OFFICE/FLEX PROPERTIES

The following table sets forth a schedule of the lease expirations for the office/flex properties beginning January 1, 2001, assuming that none of the tenants exercise renewal options:

<TABLE>
<CAPTION>

Percentage Of Annual Base Rent Under Year Of Expiring Expiration Leases (%)	Number Of Leases Expiring (1)	Net Rentable Area Subject To Expiring Leases (Sq. Ft.)	Percentage Of Total Leased Square Feet Represented By Expiring Leases (%) (2)	Annualized Base Rental Revenue Under Expiring Leases (\$) (3)	Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases (\$)
<S> 2001..... 13.7	<C> 89	<C> 632,213	<C> 15.1	<C> 6,677,238	<C> 10.56
2002..... 16.6	103	785,851	18.8	8,090,847	10.30
2003..... 12.7	80	580,696	13.9	6,203,311	10.68
2004..... 8.1	46	355,266	8.5	3,957,742	11.14
2005..... 12.1	53	477,681	11.4	5,889,941	12.33
2006..... 10.8	26	344,911	8.3	5,287,281	15.33
2007..... 4.0	8	135,431	3.2	1,974,734	14.58

2008..... 2.9	6	185,047	4.4	1,424,001	7.70
2009..... 3.9	12	130,462	3.1	1,884,126	14.44
2010..... 9.6	24	311,831	7.5	4,705,444	15.09
2011..... 1.5	3	60,911	1.5	717,436	11.78
2012 and thereafter 4.1	4	177,688	4.3	1,965,549	11.06

Totals/Weighted Average 100.0	454	4,177,988	100.0	48,777,650	11.67
=====					

</TABLE>

- (1) Includes office/flex tenants only. Excludes leases for amenity, retail, parking and month-to-month office/flex tenants. Some tenants have multiple leases.
- (2) Excludes all unleased space as of December 31, 2000.
- (3) Annualized base rental revenue is based on actual December 2000 billings times 12. For leases whose rent commences after January 1, 2001, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.

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SCHEDULE OF LEASE EXPIRATIONS: INDUSTRIAL/WAREHOUSE PROPERTIES

The following table sets forth a schedule of the lease expirations for the industrial/warehouse properties beginning January 1, 2001, assuming that none of the tenants exercise renewal options:

<TABLE>
<CAPTION>

Percentage Of Annual Base Under Year Of Expiring Expiration Leases (%)	Number Of Leases Expiring (1)	Net Rentable Area Subject To Expiring Leases (Sq. Ft.)	Percentage Of Total Leased Square Feet Represented By Expiring Leases (%) (2)	Annualized Base Rental Revenue Under Expiring Leases (\$) (3)	Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases (\$)	Rent
<S> 2001..... 3.0	<C> 6	<C> 10,782	<C> 2.8	<C> 109,173	<C> 10.13	<C>
2002..... 13.5	2	46,440	12.2	500,752	10.78	
2003..... 13.5	4	97,974	25.8	501,118	5.11	
2004..... 62.2	10	200,120	52.6	2,300,500	11.50	
2005..... 4.9	3	13,154	3.5	181,876	13.83	
2009..... 2.9	1	11,800	3.1	106,200	9.00	

Totals/Weighted Average 100.0	26	380,270	100.0	3,699,619	9.73	
=====						

</TABLE>

- (1) Includes industrial/warehouse tenants only. Excludes leases for amenity, retail, parking and month-to-month industrial/warehouse tenants. Some tenants have multiple leases.
- (2) Excludes all unleased space as of December 31, 2000.
- (3) Annualized base rental revenue is based on actual December 2000 billings times 12. For leases whose rent commences after January 1, 2001, annualized base rent revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, the historical results may differ from those set forth above.

SCHEDULE OF LEASE EXPIRATIONS: STAND-ALONE RETAIL PROPERTIES

The following table sets forth a schedule of the lease expirations for the stand-alone retail properties beginning January 1, 2001, assuming that none of the tenants exercise renewal options:

<TABLE>
<CAPTION>

Percentage Of Annual Base Under Year Of Expiring Expiration Leases (%)	Number Of Leases Expiring (1)	Net Rentable Area Subject To Expiring Leases (Sq. Ft.)	Percentage Of Total Leased Square Feet Represented By Expiring Leases (%) (2)	Annualized Base Rental Revenue Under Expiring Leases (\$)	Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases (\$)	Rent
<S> 2004..... 42.4	<C> 1	<C> 9,300	<C> 53.8	<C> 195,000	<C> 20.97	<C>
2012 57.6	1	8,000	46.2	265,000	33.12	
Totals/Weighted Average 100.0	2	17,300	100.0	460,000	26.59	

</TABLE>

- (1) Includes stand-alone retail property tenants only.
- (2) Annualized base rental revenue is based on actual December 2000 billings times 12. For leases whose rent commences after January 1, 2001, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.

INDUSTRY DIVERSIFICATION

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

<TABLE>
<CAPTION>

Percentage of Total Company Leased Industry Classification (3) Sq. Ft. (%)	Annualized Base Rental Revenue (\$)	Percentage of Company Annualized Base Rental Revenue (%)	Square Feet Leased
<S> <C> Securities, Commodity Contracts & Other Financial 9.2	<C> <C> 54,293,717	<C> <C> 11.4	<C> <C> 2,333,149
Manufacturing	45,232,970	9.5	2,733,304

10.8	Computer System Design Svcs.	33,965,877	7.1	1,799,904
7.1	Telecommunications	32,056,149	6.7	1,863,008
7.3	Insurance Carriers & Related Activities	31,246,470	6.6	1,607,184
6.3	Legal Services	28,655,988	6.0	1,280,166
5.0	Health Care & Social Assistance	21,199,594	4.5	1,079,556
4.3	Credit Intermediation & Related Activities	19,966,062	4.2	1,173,198
4.6	Wholesale Trade	17,090,086	3.6	1,254,193
4.9	Accounting/Tax Prep.	16,191,496	3.4	762,021
3.0	Other Professional	15,709,854	3.3	897,542
3.5	Retail Trade	15,304,387	3.2	877,279
3.5	Information Services	13,485,944	2.8	637,787
2.5	Publishing Industries	12,780,221	2.7	560,880
2.2	Arts, Entertainment & Recreation	10,873,673	2.3	742,323
2.9	Real Estate & Rental & Leasing	10,441,206	2.2	481,484
1.9	Public Administration	10,196,985	2.1	353,072
1.4	Other Services (except Public Administration)	9,973,705	2.1	720,267
2.8	Advertising/Related Services	9,059,880	1.9	422,451
1.7	Scientific Research/Development	9,004,156	1.9	516,192
2.0	Management/Scientific	7,713,798	1.6	394,625
1.6	Management of Companies & Finance	6,846,791	1.4	351,868
1.4	Transportation	6,534,616	1.4	449,769
1.8	Data Processing Services	5,774,618	1.2	268,770
1.1	Architectural/Engineering	5,268,844	1.1	302,525
1.2	Construction	4,481,491	0.9	252,042
1.0	Educational Services	3,885,332	0.8	214,446
0.9	Utilities	3,621,901	0.8	177,871
0.7	Admin. & Support, Waste Mgt. & Remediation Svc.	3,556,598	0.8	239,164
0.9	Specialized Design Services	3,488,148	0.7	164,620
0.7	Other	8,726,678	1.8	465,285
1.8				

Totals		476,627,235	100.0	25,375,945
100.0				
=====				

</TABLE>

- (1) Annualized base rental revenue is based on actual December 2000 billings times 12. For leases whose rent commences after January 1, 2001, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.
- (2) Includes office, office/flex, industrial/warehouse and stand-alone retail tenants only. Excludes leases for amenity, retail, parking and month-to-month office tenants. Some tenants have multiple leases.
- (3) The Company's tenants are classified according to the U.S. Government's new North American Industrial Classification System (NAICS) which has replaced the Standard Industrial Code (SIC) system.

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

<TABLE>
<CAPTION>

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

<S>	<C>		<C>	<C>
<C>				
Bergen-Passaic, NJ 17.0	82,717,384		17.4	4,530,091
New York, NY (Westchester-Rockland Counties) 17.6	80,086,544		16.8	4,696,178
Newark, NJ (Essex-Morris-Union Counties) 12.9	71,596,650		15.0	3,444,598
Jersey City, NJ 7.8	42,609,281		8.9	2,094,470
Philadelphia, PA-NJ 10.2	37,954,991		8.0	2,710,346
Washington, DC-MD-VA 2.3	19,253,047		4.0	616,549
Denver, CO 3.8	17,302,628		3.6	1,007,931
Dallas, TX 3.6	15,516,855		3.3	959,463
Middlesex-Somerset-Hunterdon, NJ 3.0	15,343,278		3.2	791,051
Trenton, NJ (Mercer County) 2.5	13,423,461		2.8	672,365
San Francisco, CA 1.7	12,594,371		2.6	450,891
San Antonio, TX 3.5	12,018,130		2.5	940,302
Stamford-Norwalk, CT 2.0	9,369,016		2.0	527,250
Houston, TX 2.6	8,888,789		1.9	700,008
Monmouth-Ocean, NJ 2.2	7,375,329		1.5	577,423
Nassau-Suffolk, NY 1.0	5,762,698		1.2	261,849
Phoenix-Mesa, AZ 1.6	5,535,201		1.2	416,967
Tampa-St. Petersburg-Clearwater, FL 1.1	3,869,760		0.8	297,429
Boulder-Longmont, CO 1.0	3,600,741		0.8	270,421
Bridgeport, CT 0.5	3,230,808		0.7	145,487
Colorado Springs, CO 0.8	2,832,002		0.6	209,987
Dutchess County, NY 0.4	2,201,156		0.5	118,727
Atlantic-Cape May, NJ 0.3	1,339,776		0.3	80,344
Des Moines, IA 0.3	1,163,019		0.2	72,265
Fort Worth-Arlington, TX 0.3	1,042,320		0.2	74,429

Totals 100.0	476,627,235		100.0	26,666,821
=====				

</TABLE>

- (1) Annualized base rental revenue is based on actual December 2000 billings times 12. For leases whose rent commences after January 1, 2001, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.
- (2) Includes office, office/flex, industrial/warehouse and stand-alone retail tenants only. Excludes leases for amenity, retail, parking and month-to-month office tenants. Some tenants have multiple leases.

ITEM 3. LEGAL PROCEEDINGS

There are no material pending legal proceedings, other than ordinary routine litigation incidental to its business, to which the Company is a party or to which any of the Properties is subject.

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

Not applicable.

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The shares of the Company's Common Stock are traded on the New York Stock Exchange ("NYSE") and the Pacific Exchange under the symbol "CLI".

MARKET INFORMATION

The following table sets forth the quarterly high, low, and closing price per share of Common Stock reported on the NYSE for the years ended December 31, 2000 and 1999, respectively:

<TABLE>
<CAPTION>

For the Year Ended December 31, 2000:

	HIGH ----	LOW ---	CLOSE -----
<S>	<C>	<C>	<C>
First Quarter	\$26.6250	\$22.7500	\$25.5000
Second Quarter	\$28.4375	\$24.4375	\$25.6875
Third Quarter	\$28.6250	\$25.0625	\$28.1875
Fourth Quarter	\$28.8750	\$25.7500	\$28.5625

For the Year Ended December 31, 1999:

	HIGH ----	LOW ---	CLOSE -----
First Quarter	\$31.8750	\$27.0000	\$29.3750
Second Quarter	\$33.6250	\$27.1875	\$30.9375
Third Quarter	\$30.8125	\$25.7500	\$26.8215
Fourth Quarter	\$26.8125	\$23.1250	\$26.0625

</TABLE>

On February 15, 2001, the closing Common Stock sales price on the NYSE was \$27.35 per share.

HOLDERS

On February 15, 2001, the Company had 426 common shareholders of record.

RECENT SALES OF UNREGISTERED SECURITIES

The Company did not issue any unregistered securities in the year ended December 31, 2000.

DIVIDENDS AND DISTRIBUTIONS

During the year ended December 31, 2000, the Company declared four quarterly common stock dividends and common unit distributions in the amounts of \$0.58, \$0.58, \$0.61 and \$0.61 per share and common unit from the first to the fourth quarter, respectively.

During the year ended December 31, 1999, the Company declared four quarterly common stock dividends and common unit distributions in the amounts of \$0.55, \$0.55, \$0.58 and \$0.58 per share and common unit from the first to the fourth quarter, respectively.

The declaration and payment of dividends and distributions will continue to be determined by the Board of Directors in light of conditions then existing, including the Company's earnings, financial condition, capital requirements, applicable legal restrictions and other factors.

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ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data on a consolidated basis

for the Company. The consolidated selected operating, balance sheet and cash flow data of the Company as of December 31, 2000, 1999, 1998, 1997 and 1996, and for the periods then ended have been derived from financial statements audited by PricewaterhouseCoopers LLP, independent accountants.

OPERATING DATA IN THOUSANDS, EXCEPT PER SHARE DATA 1996	Year Ended December 31,			
	2000	1999	1998	1997
<S>	<C>	<C>	<C>	<C>
<C>				
Total revenues	\$ 576,153	\$ 551,484	\$ 493,699	\$ 249,801
95,472				
Operating and other expenses	\$ 172,146	\$ 168,651	\$ 150,448	\$ 75,353
29,662				
General and administrative	\$ 23,276	\$ 25,480	\$ 24,828	\$ 15,659
5,800				
Depreciation and amortization	\$ 92,088	\$ 87,209	\$ 78,916	\$ 36,825
14,731				
Interest expense	\$ 105,394	\$ 102,960	\$ 88,043	\$ 39,078
13,758				
Non-recurring charges	\$ 37,139	\$ 16,458	\$ --	\$ 46,519
--				
Income before minority interests and extraordinary item	\$ 231,463	\$ 152,683	\$ 151,464	\$ 36,367
37,179				
Income before extraordinary item	\$ 185,338	\$ 119,739	\$ 118,951	\$ 4,988
32,419				
Basic earnings per share - before extraordinary item	\$ 3.18	\$ 2.05	\$ 2.13	\$ 0.13
1.76				
Diluted earnings per share - before extraordinary item	\$ 3.10	\$ 2.04	\$ 2.11	\$ 0.12
1.73				
Dividends declared per common share	\$ 2.38	\$ 2.26	\$ 2.10	\$ 1.90
1.75				
Basic weighted average shares outstanding	58,338	58,385	55,840	39,266
18,461				
Diluted weighted average shares outstanding	73,070	67,133	63,893	44,156
21,436				

<CAPTION>

BALANCE SHEET DATA IN THOUSANDS 1996	December 31,			
	2000	1999	1998	1997
<S>	<C>	<C>	<C>	<C>
<C>				
Rental property, before accumulated depreciation and amortization	\$ 3,704,354	\$ 3,654,845	\$ 3,467,799	\$ 2,629,616
853,352				
Total assets	\$ 3,676,977	\$ 3,629,601	\$ 3,452,194	\$ 2,593,444
1,026,328				
Total debt	\$ 1,628,512	\$ 1,490,175	\$ 1,420,931	\$ 972,650
268,010				
Total liabilities	\$ 1,774,239	\$ 1,648,844	\$ 1,526,974	\$ 1,056,759
297,985				
Minority interests	\$ 449,448	\$ 538,875	\$ 501,313	\$ 379,245
26,964				
Stockholders' equity	\$ 1,453,290	\$ 1,441,882	\$ 1,423,907	\$ 1,157,440
701,379				

<CAPTION>

OTHER DATA IN THOUSANDS 1996	Year Ended December 31,			
	2000	1999	1998	1997
<S>	<C>	<C>	<C>	<C>
<C>				
Cash flows provided by operating activities	\$ 180,529	\$ 243,638	\$ 208,761	\$ 98,142
\$ 46,823				
Cash flows provided by (used in) investing activities	\$ 6,189	\$ (195,178)	\$ (749,067)	\$ (939,501)
(307,752)				
Cash flows (used in) provided by financing activities	\$ (182,210)	\$ (45,598)	\$ 543,411	\$ 639,256
464,769				
Funds from operations (1), before distributions to preferred unitholders	\$ 262,071	\$ 244,240	\$ 216,949	\$ 111,752
\$ 45,220				
Funds from operations (1), after distributions to preferred unitholders	\$ 246,630	\$ 228,764	\$ 200,636	\$ 110,864

</TABLE>

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

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

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

The following comparisons for the year ended December 31, 2000 ("2000"), as compared to the year ended December 31, 1999 ("1999"), and for 1999, as compared to the year ended December 31, 1998 ("1998"), make reference to the following: (i) the effect of the "Same-Store Properties," which represents all in-service properties owned by the Company at December 31, 1998, excluding Dispositions as defined below (for the 2000 versus 1999 comparison) and which represents all in-service properties owned by the Company at December 31, 1997, excluding Dispositions as defined below (for the 1999 versus 1998 comparison), (ii) the effect of the "Acquired Properties," which represents all properties acquired or placed in service by the Company from January 1, 1999 through December 31, 2000 (for the 2000 versus 1999 comparison) and which represents all properties acquired or placed in service by the Company from January 1, 1998 through December 31, 1999 (for the 1999 versus 1998 comparison) and (iii) the effect of the "Dispositions", which represents results for each period for those rental properties sold by the Company during the respective periods.

YEAR ENDED DECEMBER 31, 2000 COMPARED TO YEAR ENDED DECEMBER 31, 1999

<TABLE>
<CAPTION>

(DOLLARS IN THOUSANDS)	Year Ended December 31,		Dollar Change	Percent Change
	2000	1999		
<S>	<C>	<C>	<C>	<C>
REVENUE FROM RENTAL OPERATIONS:				
Base rents	\$491,193	\$469,853	\$21,340	4.5%
Escalations and recoveries from tenants	58,488	62,182	(3,694)	(5.9)
Parking and other	15,325	15,915	(590)	(3.7)
Sub-total	565,006	547,950	17,056	3.1
Equity in earnings of unconsolidated joint ventures	8,055	2,593	5,462	210.6
Interest income	3,092	941	2,151	228.6
Total revenues	576,153	551,484	24,669	4.5
PROPERTY EXPENSES:				
Real estate taxes	59,400	57,382	2,018	3.5
Utilities	42,035	41,580	455	1.1
Operating services	70,711	69,689	1,022	1.5

Sub-total	172,146	168,651	3,495	2.1
General and administrative	23,276	25,480	(2,204)	(8.6)
Depreciation and amortization	92,088	87,209	4,879	5.6
Interest expense	105,394	102,960	2,434	2.4
Non-recurring charges	37,139	16,458	20,681	125.7
Total expenses	430,043	400,758	29,285	7.3
Income before gain on sales of rental property and minority interests	146,110	150,726	(4,616)	(3.1)
Gain on sales of rental property	85,353	1,957	83,396	4,261.4
Income before minority interests	231,463	152,683	78,780	51.6
MINORITY INTERESTS:				
Operating partnership	41,053	32,865	8,188	24.9
Partially-owned properties	5,072	79	4,993	6,320.3
Net income	\$185,338	\$119,739	\$65,599	54.8%

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

	TOTAL COMPANY		SAME-STORE PROPERTIES		ACQUIRED PROPERTIES		DISPOSITIONS	
	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change
REVENUE FROM RENTAL OPERATIONS:								
Base rents	\$21,340	4.5%	\$16,615	3.5%	\$21,429	4.6%	\$(16,704)	(3.6)%
Escalations and recoveries from tenants	(3,694)	(5.9)	(577)	(0.9)	1,602	2.6	(4,719)	(7.6)
Parking and other	(590)	(3.7)	(111)	(0.7)	150	0.9	(629)	(3.9)
Total	\$17,056	3.1%	\$15,927	2.9%	\$23,181	4.2%	\$(22,052)	(4.0)%
PROPERTY EXPENSES:								
Real estate taxes	\$ 2,018	3.5%	\$ 1,267	2.2%	\$ 2,287	4.0%	\$ (1,536)	(2.7)%
Utilities	455	1.1	752	1.8	1,501	3.6	(1,798)	(4.3)
Operating services	1,022	1.5	664	1.0	3,359	4.8	(3,001)	(4.3)
Total	\$ 3,495	2.1%	\$ 2,683	1.6%	\$ 7,147	4.2%	\$ (6,335)	(3.7)%
OTHER DATA:								
Number of Consolidated Properties	255		237		18		7	
Square feet (in thousands)	26,667		24,886		1,781		1,949	

Base rents for the Same-Store Properties increased \$16.6 million, or 3.5 percent, for 2000 as compared to 1999, due primarily to rental rate increases in 2000. Escalations and recoveries from tenants for the Same-Store Properties decreased \$0.6 million, or 0.9 percent, for 2000 over 1999, due to the recovery of a decreased amount of total property expenses. Parking and other income for the Same-Store Properties decreased \$0.1 million, or 0.7 percent, due primarily to fewer lease termination fees in 2000.

Real estate taxes on the Same-Store Properties increased \$1.3 million, or 2.2 percent, for 2000 as compared to 1999, due primarily to property tax rate increases in certain municipalities in 2000. Utilities for the Same-Store Properties increased \$0.8 million, or 1.8 percent, for 2000 as compared to 1999, due primarily to increased rates. Operating services for the Same-Store Properties increased \$0.7 million, or 1.0 percent, due primarily to an increase

in maintenance costs in 2000.

Equity in earnings of unconsolidated joint ventures increased \$5.5 million, or 210.6 percent, for 2000 as compared to 1999. This is due primarily to properties developed by joint ventures being placed in service in 2000 and higher occupancies (see Note 4 to the Financial Statements).

Interest income increased \$2.2 million, or 228.6 percent, for 2000 as compared to 1999. This increase was due primarily to the effect of net proceeds from certain property sales being invested in cash and cash equivalents for the period of time prior to which such proceeds were reinvested, as well as income from mortgages receivable in 2000.

General and administrative decreased by \$2.2 million, or 8.6 percent, for 2000 as compared to 1999. This decrease is due primarily to decreased payroll and related costs in 2000.

Depreciation and amortization increased by \$4.9 million, or 5.6 percent, for 2000 over 1999. Of this increase, \$5.4 million, or 6.2 percent, is attributable to the Same-Store Properties, and \$3.8 million, or 4.4 percent, is due to the Acquired Properties, partially offset by a decrease of \$4.3 million, or 5.0 percent, due to the Dispositions.

Interest expense increased \$2.4 million, or 2.4 percent, for 2000 as compared to 1999. This increase is due primarily to the replacement in March 1999 of short-term credit facility borrowings with long-term fixed rate unsecured notes and increase in LIBOR in 2000 over 1999.

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Non-recurring charges of \$37.1 million were incurred in 2000 as a result of costs associated with the termination of the Prentiss merger agreement (see Note 3 to the Financial Statements) in September 2000 and costs associated with the resignations of Brant Cali and John R. Cali (see Note 14 to the Financial Statements) in June 2000. Non-recurring charges of \$16.5 million were incurred in 1999 as a result of the resignation of Thomas A. Rizk (see Note 14 to the Financial Statements).

Income before gain on sales of rental property and minority interests decreased to \$146.1 million in 2000 from \$150.7 million in 1999. The decrease of approximately \$4.6 million is due to the factors discussed above.

Net income increased by \$65.6 million, from \$119.7 million in 1999 to \$185.3 million in 2000. This increase was a result of a gain on sales of rental property of \$85.4 million in 2000. This was partially offset by a decrease in income before gain on sales of rental property and minority interests of \$4.6 million in 2000 as compared to 1999, a gain on sales of rental property of \$2.0 million in 1999, and an increase in minority interests of \$13.2 million in 2000.

YEAR ENDED DECEMBER 31, 1999 COMPARED TO YEAR ENDED DECEMBER 31, 1998

<TABLE>
<CAPTION>

(DOLLARS IN THOUSANDS)	Year Ended December 31,		Dollar Change	Percent Change
	1999	1998		
<S>	<C>	<C>	<C>	<C>
REVENUE FROM RENTAL OPERATIONS:				
Base rents	\$469,853	\$427,528	\$42,325	9.9%
Escalations and recoveries from tenants	62,182	51,981	10,201	19.6
Parking and other	15,915	10,712	5,203	48.6
Sub-total	547,950	490,221	57,729	11.8
Equity in earnings of unconsolidated joint ventures	2,593	1,055	1,538	145.8
Interest income	941	2,423	(1,482)	(61.2)
Total revenues	551,484	493,699	57,785	11.7
PROPERTY EXPENSES:				
Real estate taxes	57,382	48,297	9,085	18.8
Utilities	41,580	38,440	3,140	8.2
Operating services	69,689	63,711	5,978	9.4
Sub-total	168,651	150,448	18,203	12.1

General and administrative	25,480	24,828	652	2.6
Depreciation and amortization	87,209	78,916	8,293	10.5
Interest expense	102,960	88,043	14,917	16.9
Non-recurring charges	16,458	--	16,458	--

Total expenses	400,758	342,235	58,523	17.1

Income before gain on sales of rental property, Minority interests and extraordinary item	150,726	151,464	(738)	(0.5)
Gain on sales of rental property	1,957	--	1,957	--

Income before minority interests and Extraordinary item	152,683	151,464	1,219	0.8
MINORITY INTERESTS:				
Operating partnership	32,865	32,513	352	1.1
Partially-owned properties	79	--	79	--

Income before extraordinary item	119,739	118,951	788	0.7
Extraordinary item - loss on early retirement of debt (net of minority interest's share of \$297 in 1998)	--	(2,373)	2,373	(100.0)

Net income	\$119,739	\$116,578	\$ 3,161	2.7%
=====				
=				
</TABLE>				

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

<TABLE>
<CAPTION>

	TOTAL COMPANY		SAME-STORE PROPERTIES		ACQUIRED PROPERTIES		DISPOSITIONS	
	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
REVENUE FROM RENTAL OPERATIONS:								
Base rents	\$42,325	9.9%	\$10,007	2.4%	\$32,519	7.6%	\$(201)	(0.1)%
Escalations and recoveries from from tenants	10,201	19.6	4,800	9.2	5,404	10.4	(3)	0.0
Parking and other	5,203	48.6	2,585	24.1	2,601	24.3	17	0.2

Total	\$57,729	11.8%	\$17,392	3.6%	\$40,524	8.3%	\$(187)	(0.1)%
=====								
PROPERTY EXPENSES:								
Real estate taxes	\$ 9,085	18.8%	\$ 3,300	6.8%	\$ 5,817	12.1%	\$ (32)	(0.1)%
Utilities	3,140	8.2	400	1.0	2,738	7.2	2	0.0
Operating services	5,978	9.4	(165)	(0.3)	6,210	9.8	(67)	(0.1)

Total	\$18,203	12.1%	\$ 3,535	2.4%	\$14,765	9.8%	\$ (97)	(0.1)%
=====								

OTHER DATA:

Number of Consolidated Properties	253	187	66	2
Square feet (in thousands)	27,383	21,775	5,608	190

</TABLE>

Base rents for the Same-Store Properties increased \$10.0 million, or 2.4 percent, for 1999 as compared to 1998, due primarily to rental rate increases in 1999. Escalations and recoveries from tenants for the Same-Store Properties increased \$4.8 million, or 9.2 percent, for 1999 over 1998, due to the recovery of an increased amount of total property expenses, as well as additional settle-up billings in 1999. Parking and other income for the Same-Store Properties increased \$2.6 million, or 24.1 percent, due primarily to increased lease termination fees in 1999.

Real estate taxes on the Same-Store Properties increased \$3.3 million, or 6.8 percent, for 1999 as compared to 1998, due primarily to property tax rate

increases in certain municipalities in 1999. Utilities for the Company increased \$3.1 million, or 8.2 percent, for 1999 as compared to 1998, due substantially to the Acquired Properties. Operating services for the Same-Store Properties decreased \$0.2 million, or 0.3 percent, due primarily to a reduction in maintenance costs incurred.

Equity in earnings of unconsolidated joint ventures increased \$1.5 million in 1999 as compared to 1998. This is due primarily to additional joint venture investments made by the Company (see Note 4 to the Financial Statements).

Interest income decreased \$1.5 million, or 61.2 percent, for 1999 as compared to 1998. This decrease was due primarily to repayment by a borrower of a mortgage note receivable in 1998.

General and administrative increased by \$0.7 million, or 2.6 percent, for 1999 as compared to 1998. This increase is due primarily to increased payroll and related costs in 1999.

Depreciation and amortization increased by \$8.3 million, or 10.5 percent, for 1999 over 1998. Of this increase, \$4.8 million, or 6.1 percent, is attributable to the Acquired Properties and \$3.5 million, or 4.4 percent, is due to the Same-Store Properties.

Interest expense increased \$14.9 million, or 16.9 percent, for 1999 as compared to 1998. This increase is due primarily to the replacement in 1999 of short-term credit facility borrowings with long-term fixed rate unsecured debt and net additional drawings from the Company's revolving credit facilities generally as a result of Company acquisitions in 1998. These increases were partially offset by the reduction in spread over LIBOR due to the Unsecured Facility signed in April 1998 and the achievement by the Company of investment grade credit ratings in November 1998.

Non-recurring charges of \$16.5 million were incurred in 1999, as a result of the resignation of Thomas A. Rizk (see Note 14 to the Financial Statements).

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Income before gain on sales of rental property, minority interests and extraordinary item decreased to \$150.7 million in 1999 from \$151.5 million in 1998. The decrease of approximately \$0.8 million is due to the factors discussed above.

Net income increased by \$3.1 million, from \$116.6 million in 1998 to \$119.7 million in 1999. This increase was a result of an extraordinary item of \$2.4 million (net of minority interest) due to early retirement of debt in 1998, and a gain on sales of rental property of \$1.9 million in 1999. These were partially offset by a decrease in income before gain on sales of rental property, minority interests and extraordinary item of \$0.8 million in 2000 as compared to 1999 and an increase in minority interests of \$0.4 million.

LIQUIDITY AND CAPITAL RESOURCES

STATEMENT OF CASH FLOWS

During the year ended December 31, 2000, the Company generated \$180.5 million in cash flows from operating activities, and together with \$723.0 million in borrowings from the Company's senior unsecured notes and revolving credit facilities, \$292.9 million in proceeds from sales of rental property, \$13.3 million in distributions received from unconsolidated joint ventures, \$2.5 million in proceeds from stock options exercised and \$0.5 million from restricted cash, used an aggregate of approximately \$1.2 billion to acquire properties and land parcels and pay for other tenant and building improvements totaling \$268.2 million, repay outstanding borrowings on its revolving credit facilities and other mortgage debt of \$585.0 million, pay quarterly dividends and distributions of \$172.1 million, invest \$17.6 million in unconsolidated joint ventures, distribute \$88.7 million to minority interest in partially-owned properties, issue mortgage note receivables of \$14.7 million, pay financing costs of \$6.4 million, repurchase 2,026,300 shares of its outstanding common stock for \$55.5 million and increase the Company's cash and cash equivalents by \$4.5 million.

CAPITALIZATION

The Company has a focused strategy geared to attractive opportunities in high-barrier-to-entry markets, primarily predicated on the Company's strong presence in the Northeast region and, to a lesser extent, certain markets in California. The Company plans to sell substantially all of its properties located in the Southwestern and Western regions, using such proceeds to invest in property acquisitions and development projects in its core Northeast markets, as well as to repay debt and fund stock repurchases.

During 2000, the Company sold three of its office properties located in the Southwest and Western regions for aggregate net proceeds of approximately \$57.8 million (see Note 3 - "2000 Transactions - Property Sales" to the financial statements.) Currently, the Company is actively seeking to sell 10 office properties located in San Antonio and Houston, Texas.

Consistent with its strategy, in the fourth quarter 2000, the Company started construction of a 980,000 square-foot office property, to be known as Plaza 5, at its Harborside Financial Center office complex in Jersey City, Hudson County, New Jersey. The total cost of the project is currently projected to be approximately \$260 million and is anticipated to be completed in third quarter 2002. Additionally, in the fourth quarter 2000, the Company, through a joint venture, started construction of a 575,000 square-foot office property, to be known as Plaza 10, on land owned by the joint venture located adjacent to the Company's Harborside complex. The total cost of this project is currently projected to be approximately \$140 million and is anticipated to be completed in third quarter 2002. Plaza 10 is 100 percent pre-leased to Charles Schwab for a 15-year term. The lease agreement obligates the Company, among other things, to deliver space to the tenant by required timelines and offers expansion options, at the tenant's election, to additional space in any adjacent Harborside projects. Such options may obligate the Company to construct an additional building at Harborside if vacant space is not available in any of its existing Harborside properties. Should the Company be unable to or choose not to provide such expansion space, the Company could be liable to Schwab for its actual damages, in no event to exceed \$15.0 million. The Company expects to finance its funding requirements under both Plazas 5 and 10 projects through drawing on its revolving credit facilities, construction financing, or through joint venture arrangements.

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On August 6, 1998, the Board of Directors of the Company authorized a Repurchase Program under which the Company was permitted to purchase up to \$100.0 million of the Company's outstanding common stock. Under the Repurchase Program, the Company purchased for constructive retirement 1,869,200 shares of its outstanding common stock for an aggregate cost of approximately \$52.6 million through September 12, 2000.

On September 13, 2000, the Board of Directors authorized an increase to the Repurchase Program under which the Company is permitted to purchase up to an additional \$150.0 million of the Company's outstanding common stock above the \$52.6 million that had previously been purchased. From that date through February 15, 2001, the Company purchased for constructive retirement 2,098,300 shares of its outstanding common stock for an aggregate cost of approximately \$57.5 million under the Repurchase Program. The Company has authorization to repurchase up to an additional \$92.5 million of its outstanding common stock which it may repurchase from time to time in open market transactions at prevailing prices or through privately negotiated transactions.

As of December 31, 2000, the Company's total indebtedness of \$1.6 billion (weighted average interest rate of 7.29 percent) was comprised of \$381.0 million of revolving credit facility borrowings and other variable rate mortgage debt (weighted average rate of 7.53 percent) and fixed rate debt of \$1.2 billion (weighted average rate of 7.25 percent).

As of December 31, 2000, the Company had outstanding borrowings of \$348.8 million under its revolving credit facilities (with aggregate borrowing capacity of \$900.0 million). The total outstanding borrowings were from the 2000 Unsecured Facility, with no outstanding borrowings under the Prudential Facility. The interest rate on outstanding borrowings under the 2000 Unsecured Facility is currently LIBOR plus 80 basis points. The Company may instead elect an interest rate representing the higher of the lender's prime rate or the Federal Funds rate plus 50 basis points. The 2000 Unsecured Facility also requires a 20 basis point facility fee on the current borrowing capacity payable quarterly in arrears. In the event of a change in the Company's unsecured debt rating, the interest and facility fee rate will be changed on a sliding scale. Subject to certain conditions, the Company has the ability to increase the borrowing capacity of the 2000 Unsecured Facility up to \$1.0 billion. The 2000 Unsecured Facility matures in June 2003, with an extension option of one year, which would require a payment of 25 basis points of the then borrowing capacity of the credit line upon exercise. The Company has been notified that the Prudential Facility, which carries an interest rate of 110 basis points over LIBOR and matures in June 2001, will not be renewed. The Company believes that the 2000 Unsecured Facility is sufficient to meet its revolving credit facility needs.

The terms of the 2000 Unsecured Facility include certain restrictions and covenants which limit, among other things, the payment of dividends (as discussed below), the incurrence of additional indebtedness, the incurrence of liens and the disposition of assets, and which require compliance with financial ratios relating to the maximum leverage ratio, the maximum amount of secured indebtedness, the minimum amount of tangible net worth, the minimum amount of debt service coverage, the minimum amount of fixed charge coverage, the maximum amount of unsecured indebtedness, the minimum amount of unencumbered property debt service coverage and certain investment limitations. The dividend restriction referred to above provides that, except to enable the Company to continue to qualify as a REIT under the Code, the Company will not during any four consecutive fiscal quarters make distributions with respect to common stock or other equity interests in an aggregate amount in excess of 90 percent of funds from operations (as defined) for such period, subject to certain other adjustments.

On December 21, 2000, the Operating Partnership issued \$15.0 million of 7.835 percent senior unsecured notes due December 15, 2010 with interest payable semi-annually in arrears. The total proceeds from the issuance (net of selling commissions) of approximately \$14.9 million were used primarily to pay down outstanding borrowings under the Prudential Facility, as defined in Note 9 to the Financial Statements.

In January 2001, the Operating Partnership issued \$300.0 million face amount of 7.75 percent senior unsecured notes due February 15, 2011 with interest payable semi-annually in arrears. The total proceeds from the issuance (net of selling commissions and discount) of approximately \$296.3 million were used to pay down outstanding borrowings under the 2000 Unsecured Facility, as defined in Note 9 to the Financial Statements. The senior unsecured notes were issued at a discount of approximately \$1.7 million.

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

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The Company has three investment grade credit ratings. Standard & Poor's Rating Services ("S&P") and Fitch, Inc. ("Fitch") have each assigned their BBB rating to existing and prospective senior unsecured debt of the Operating Partnership. S&P and Fitch have also assigned their BBB- rating to prospective preferred stock offerings of the Company. Moody's Investors Service has assigned its Baa3 rating to the existing and prospective senior unsecured debt of the Operating Partnership and its Ba1 rating to prospective preferred stock offerings of the Company.

As of December 31, 2000, the Company had 229 unencumbered properties, totaling 20.4 million square feet, representing 76.5 percent of the Company's total portfolio on a square footage basis.

The Company has an effective shelf registration statement with the SEC for an aggregate amount of \$2.0 billion in equity securities of the Company. The Company and Operating Partnership also have an effective shelf registration statement with the SEC for an aggregate of \$2.0 billion in debt securities, preferred stock and preferred stock represented by depositary shares, under which the Operating Partnership has issued an aggregate of \$1.1 billion of unsecured corporate debt. The Company also has an effective registration statement with the SEC for a dividend reinvestment and stock purchase plan, which commenced in March 1999.

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

The Company expects to meet its short-term liquidity requirements generally through its working capital, net cash provided by operating activities and from the 2000 Unsecured Facility. The Company is frequently examining potential property acquisitions and construction projects and, at any given time, one or more of such acquisitions or construction projects may be under consideration. Accordingly, the ability to fund property acquisitions and construction projects is a major part of the Company's financing requirements. The Company expects to meet its financing requirements through funds generated from operating activities, proceeds from property sales, long-term or short-term borrowings (including draws on the Company's revolving credit facilities) and the issuance of additional debt or equity securities.

Following the Operating Partnership's issuance of \$300.0 million in senior unsecured notes in January 2001, the Company's total debt had a weighted average term to maturity of approximately 5.9 years. The Company does not intend to reserve funds to retire the Company's unsecured corporate debt or its mortgages and loans payable upon maturity. Instead, the Company will seek to refinance such debt at maturity or retire such debt through the issuance of additional equity or debt securities. The Company is reviewing various refinancing options, including the issuance of additional unsecured debt, preferred stock, and/or obtaining additional mortgage debt, some or all of which may be completed during 2001. The Company anticipates that its available cash and cash equivalents and cash flows from operating activities, together with cash available from borrowings and other sources, will be adequate to meet the Company's capital and liquidity needs both in the short and long-term. However, if these sources of funds are insufficient or unavailable, the Company's ability to make the expected distributions discussed below may be adversely affected.

To maintain its qualification as a REIT, the Company must make annual distributions to its stockholders of at least 90 percent (for taxable years beginning after December 31, 2000) of its REIT taxable income, determined without regard to the dividends paid deduction and by excluding net capital gains. Moreover, the Company intends to continue to make regular quarterly distributions to its stockholders which, based upon current policy, in the aggregate would equal approximately \$138.9 million on an annualized basis. However, any such distribution, whether for federal income tax purposes or otherwise, would only be paid out of available cash after meeting both operating requirements and scheduled debt service on mortgages and loans payable.

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FUNDS FROM OPERATIONS

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

Funds from operations for the years ended December 31, 2000, 1999 and 1998, as calculated in accordance with NAREIT's definition as published in October 1999, after adjustment for straight-lining of rents and non-recurring charges, are summarized in the following table (IN THOUSANDS):

<TABLE>
<CAPTION>

	Year Ended December 31,		
	2000	1999	1998
<S>	<C>	<C>	<C>
Income before gain on sales of rental property, minority interests and extraordinary item	\$146,110	\$ 150,726	\$ 151,464
Add: Real estate-related depreciation and amortization (1)	94,250	89,731	79,169
Gain on sale of land	2,248	--	--
Non-recurring charges	37,139	16,458	--
Deduct: Rental income adjustment for straight-lining of rents (2)	(12,604)	(12,596)	(13,684)
Minority interests: partially-owned properties	(5,072)	(79)	--
Funds from operations, after adjustment for straight-lining of rents and non-recurring charges	\$262,071	\$ 244,240	\$ 216,949
Deduct: Distributions to preferred unitholders	(15,441)	(15,476)	(16,313)
Funds from operations, after adjustment for straight-lining of rents and non-recurring charges, after distributions to preferred unitholders	\$246,630	\$ 228,764	\$ 200,636
Cash flows provided by operating activities	\$ 180,529	\$ 243,638	\$ 208,761
Cash flows provided by (used in) investing activities	\$ 6,189	\$ (195,178)	\$ (749,067)
Cash flows (used in) provided by financing activities	\$ (182,210)	\$ (45,598)	\$ 543,411
Basic weighted averages shares/units outstanding (3)	66,392	66,885	63,438
Diluted weighted average shares/units outstanding (3)	73,070	73,769	70,867

</TABLE>

- (1) Includes the Company's share from unconsolidated joint ventures of \$2,928, \$3,166 and \$817 for the years ended December 31, 2000, 1999 and 1998.
- (2) Includes the Company's share from unconsolidated joint ventures of \$24, \$158 and \$109 for the years ended December 31, 2000, 1999 and 1998.
- (3) See calculations for the amounts presented in the following reconciliation.

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

<TABLE>
<CAPTION>

	Year Ended December 31,		
	2000	1999	1998

<S>	<C>	<C>	<C>
Basic weighted average shares:	58,338	58,385	55,840
Add: Weighted average common units	8,054	8,500	7,598

Basic weighted average shares/units:	66,392	66,885	63,438
Add: Weighted average preferred units (after conversion to common units)	6,485	6,636	6,974
Stock options	188	241	411
Restricted Stock Awards	5	7	--
Stock Warrants	--	--	44

Diluted weighted average shares/units:	73,070	73,769	70,867
=====			

</TABLE>

INFLATION

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

DISRUPTION IN OPERATIONS DUE TO YEAR 2000 PROBLEMS

The Year 2000 issue was the result of computer programs and embedded chips using a two-digit format, as opposed to four digits, to indicate the year. Such computer systems may have been unable to interpret dates beyond the year 1999, which could have caused a system failure or other computer errors, leading to disruptions in operations.

We developed a three-phase Year 2000 project (the "Project") to identify, remedy and test our Year 2000 systems compliance, including, but not limited to, central accounting and operating systems, tenant compliance and property compliance. In addition, we prepared contingency plans in the event of Year 2000 failures associated with critical building support systems and our accounting system.

Our Project was completed on schedule during the fourth quarter of 1999. Approximately \$1.0 million was incurred to modify, upgrade and/or replace non-compliant systems.

We experienced no system failures or computer errors associated with Year 2000 compliance. We have concluded the Project and anticipate no further Year 2000 compliance issues or expenditures.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

The Company considers portions of this information to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements relate to, without limitation, the Company's future economic performance, plans and objectives for future operations and projections of revenue and other financial items. Forward-looking statements can be identified by the use of words such as "may," "will," "should," "expect," "anticipate," "estimate" or "continue" or comparable terminology. Forward-looking statements are inherently subject to risks and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements. See "Risk Factors" for a discussion of important factors with respect to such forward-looking statements, including certain risks and uncertainties, that could cause actual results to differ materially from those presented in the forward-looking statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the exposure to loss resulting from changes in interest rates, foreign currency exchange rates, commodity prices and equity prices. In pursuing its business plan, the primary market risk to which the Company is

exposed is interest rate risk. Changes in the general level of interest rates prevailing in the financial markets may affect the spread between the Company's yield on invested assets and cost of funds and, in turn, our ability to make distributions or payments to our investors.

Approximately \$1.2 billion of the Company's long-term debt bears interest at fixed rates and therefore the fair value of these instruments is affected by changes in market interest rates. The following table presents principal cash flows (in thousands) based upon maturity dates of the debt obligations and the related weighted-average interest rates by expected maturity dates for the fixed rate debt. The interest rate on the variable rate debt as of December 31, 2000 ranged from LIBOR plus 65 basis points to LIBOR plus 80 basis points.

DECEMBER 31, 2000

DEBT, INCLUDING CURRENT PORTION VALUE	2001	2002	2003	2004	2005	THEREAFTER	TOTAL	FAIR VALUE
Fixed Rate \$1,240,139	\$7,451	\$3,433	\$195,674	\$312,283	\$254,762	\$473,891	\$1,247,494	
Average Interest Rate	7.43%	8.20%	7.30%	7.34%	7.13%	7.47%	7.34%	
Variable Rate 381,018			\$348,840			\$32,178	\$ 381,018	\$

While the Company has not experienced any significant credit losses, in the event of a significant rising interest rate environment and/or economic downturn, defaults could increase and result in losses to the Company which adversely affect its operating results and liquidity.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The response to this item is submitted as a separate section of this Form 10-K. See Item 14.

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

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by Item 10 is incorporated by reference from the Company's definitive proxy statement for its annual meeting of shareholders to be held on May 15, 2001.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is incorporated by reference from the Company's definitive proxy statement for its annual meeting of shareholders to be held on May 15, 2001.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by Item 12 is incorporated by reference from the Company's definitive proxy statement for its annual meeting of shareholders to be held on May 15, 2001.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by Item 13 is incorporated by reference from the Company's definitive proxy statement for its annual meeting of shareholders to be held on May 15, 2001.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS, SCHEDULES AND REPORTS ON FORM 8-K

- (a) 1. Financial Statements and Report of PricewaterhouseCoopers LLP, Independent Accountants

Consolidated Balance Sheets as of December 31, 2000 and 1999

Consolidated Statements of Operations for the Years Ended December 31, 2000, 1999 and 1998

Consolidated Statements of Changes in Stockholders' Equity for the Years Ended December 31, 2000, 1999 and 1998

Consolidated Statements of Cash Flows for the Years Ended December 31, 2000, 1999 and 1998

Notes to Consolidated Financial Statements

- (a) 2. FINANCIAL STATEMENT SCHEDULES

Schedule III - Real Estate Investments and Accumulated Depreciation as of December 31, 2000

All other schedules are omitted because they are not required or the required information is shown in the financial statements or notes thereto.

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- (a) 3. EXHIBITS

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

<TABLE>
<CAPTION>

EXHIBIT NUMBER	EXHIBIT TITLE
-----	-----
<S>	<C>
3.1	Restated Charter of Mack-Cali Realty Corporation dated June 2, 1999, together with Articles Supplementary thereto (filed as Exhibit 3.1 to the Company's Form 8-K dated June 10, 1999 and as Exhibit 4.2 to the Company's Form 8-K dated July 6, 1999 and each incorporated herein by reference).
3.2	Amended and Restated Bylaws of Mack-Cali Realty Corporation dated June 10, 1999 (filed as Exhibit 3.2 to the Company's Form 8-K dated June 10, 1999 and incorporated herein by reference).
3.3	Second Amended and Restated Agreement of Limited Partnership dated December 11, 1997, for Mack-Cali Realty, L.P. (filed as Exhibit 10.110 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).
3.4	Amendment No. 1 to the Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. (filed as Exhibit 3.1 to the Company's Registration Statement on Form S-3, Registration No. 333-57103, and incorporated herein by reference).
3.5	Second Amendment to the Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. (filed as Exhibit 10.2 to the Company's Form 8-K dated July 6, 1999 and incorporated herein by reference).
4.1	Amended and Restated Shareholder Rights Agreement, dated as of March 7, 2000, between Mack-Cali Realty Corporation and EquiServe Trust Company, N.A., as Rights Agent (filed as Exhibit 4.1 to the Company's Form 8-K dated March 7, 2000 and incorporated herein by reference).
4.2	Amendment No. 1 to the Amended and Restated Shareholder Rights Agreement, dated as of June 27, 2000, by and among Mack-Cali Realty Corporation and Equiserve Trust Company, N.A. (filed as Exhibit 4.1 to the Company's Form 8-K dated June 27, 2000).
4.3	Indenture dated as of March 16, 1999, by and among Mack-Cali Realty, L.P., as issuer, Mack-Cali Realty Corporation, as guarantor, and Wilmington Trust Company, as trustee (filed as Exhibit 4.1 to the Company's Form 8-K dated March 16, 1999 and incorporated herein by reference).

4.4 Supplemental Indenture No. 1 dated as of March 16, 1999, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated March 16, 1999 and incorporated herein by reference).

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<CAPTION>

EXHIBIT NUMBER -----	EXHIBIT TITLE -----
<S>	<C>
4.5	Supplemental Indenture No. 2 dated as of August 2, 1999, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.4 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
4.6	Supplemental Indenture No. 3 dated as of December 21, 2000, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated December 21, 2000 and incorporated herein by reference).
4.7	Supplemental Indenture No. 4 dated as of January 29, 2001, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated January 29, 2001 and incorporated herein by reference).
10.1	Amended and Restated Employment Agreement dated as of July 1, 1999 between Mitchell E. Hersh and Mack-Cali Realty Corporation (filed as Exhibit 10.2 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.2	Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Timothy M. Jones and Mack-Cali Realty Corporation (filed as Exhibit 10.3 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.3	Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Barry Lefkowitz and Mack-Cali Realty Corporation (filed as Exhibit 10.6 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.4	Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Roger W. Thomas and Mack-Cali Realty Corporation (filed as Exhibit 10.7 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
*10.5	Employment Agreement dated as of December 5, 2000 between Michael Grossman and Mack-Cali Realty Corporation.
10.6	Restricted Share Award Agreement dated as of July 1, 1999 between Mitchell E. Hersh and Mack-Cali Realty Corporation (filed as Exhibit 10.8 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.7	Restricted Share Award Agreement dated as of July 1, 1999 between Timothy M. Jones and Mack-Cali Realty Corporation (filed as Exhibit 10.9 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.8	Restricted Share Award Agreement dated as of July 1, 1999 between Barry Lefkowitz and Mack-Cali Realty Corporation (filed as Exhibit 10.12 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.9	Restricted Share Award Agreement dated as of July 1, 1999 between Roger W. Thomas and Mack-Cali Realty Corporation (filed as Exhibit 10.13 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).

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<CAPTION>

EXHIBIT NUMBER -----	EXHIBIT TITLE -----
----------------------------	------------------------

<S>	<C>
*10.10	Amendment No. 3 to and Restatement of Revolving Credit Agreement dated as of June 22, 2000, by and among Mack-Cali Realty, L.P. and The Chase Manhattan Bank, Fleet National Bank and Other Lenders Which May Become Parties Thereto with The Chase Manhattan Bank, as administrative agent, Fleet National Bank, as syndication agent, Bank of America, N.A., as documentation agent, Chase Securities Inc. and FleetBoston Robertson Stephens Inc., as arrangers, Bank One, N.A., First Union National Bank and Commerzbank Aktiengesellschaft, as senior managing agents, PNC Bank National Association, as managing agent, and Societe Generale, Dresdner Bank AG, Wells Fargo Bank, National Association, Bank Austria Creditanstalt Corporate Finance, Inc., Bayerische Hypo-und Vereinsbank and Summit Bank, as co-agents.
10.11	Contribution and Exchange Agreement among The MK Contributors, The MK Entities, The Patriot Contributors, The Patriot Entities, Patriot American Management and Leasing Corp., Cali Realty, L.P. and Cali Realty Corporation, dated September 18, 1997 (filed as Exhibit 10.98 to the Company's Form 8-K dated September 19, 1997 and incorporated herein by reference).
10.12	First Amendment to Contribution and Exchange Agreement, dated as of December 11, 1997, by and among the Company and the Mack Group (filed as Exhibit 10.99 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).
10.13	Termination and Release Agreement, dated September 21, 2000, by and among Mack-Cali Realty Corporation, Mack-Cali Realty, L.P., Prentiss Properties Trust and Prentiss Properties Acquisition Partners, L.P. (filed as Exhibit 10.1 to the Company's Form 8-K dated September 21, 2000 and incorporated herein by reference).
10.14	2000 Employee Stock Option Plan (filed as Exhibit B to the Company's Proxy Statement for its Annual Meeting of Stockholders held on September 11, 2000 and incorporated herein by reference).
10.15	2000 Director Stock Option Plan (filed as Exhibit C to the Company's Proxy Statement for its Annual Meeting of Stockholders held on September 11, 2000 and incorporated herein by reference).
*21	Subsidiaries of the Company.
*23	Consent of PricewaterhouseCoopers LLP, independent accountants.

</TABLE>

(b) Reports on Form 8-K

During the fourth quarter of 2000, the Company filed a report on Form 8-K dated November 7, 2000, furnishing under Item 9 certain supplemental data regarding its operations.

- - - - -
*filed herewith

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of
Mack-Cali Realty Corporation

In our opinion, the consolidated financial statements listed in the index appearing under Item 14(a)(1) on page 57 present fairly, in all material respects, the financial position of Mack-Cali Realty Corporation and its subsidiaries at December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 14(a)(2) on page 57 presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with auditing standards

generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

 PricewaterhouseCoopers LLP
 New York, New York
 February 20, 2001

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

<TABLE>
 <CAPTION>

ASSETS	December 31,	
	2000	1999

<S>	<C>	<C>
Rental property		
Land and leasehold interests	\$ 561,210	\$ 549,096
Buildings and improvements	3,026,561	3,014,532
Tenant improvements	110,123	85,057
Furniture, fixtures and equipment	6,460	6,160

Less - accumulated depreciation and amortization	3,704,354 (309,951)	3,654,845 (256,629)

Total rental property	3,394,403	3,398,216
Cash and cash equivalents	13,179	8,671
Investments in unconsolidated joint ventures	101,438	89,134
Unbilled rents receivable	50,499	53,253
Deferred charges and other assets, net	102,655	66,436
Restricted cash	6,557	7,081
Accounts receivable, net of allowance for doubtful accounts of \$552 and \$672	8,246	6,810

Total assets	\$ 3,676,977	\$ 3,629,601
=====		
LIABILITIES AND STOCKHOLDERS' EQUITY		
Senior unsecured notes	\$ 798,099	\$ 782,785
Revolving credit facilities	348,840	177,000
Mortgages and loans payable	481,573	530,390
Dividends and distributions payable	43,496	42,499
Accounts payable and accrued expenses	53,608	63,394
Rents received in advance and security deposits	31,146	36,150
Accrued interest payable	17,477	16,626

Total liabilities	1,774,239	1,648,844

MINORITY INTERESTS:		
Operating Partnership	447,523	455,275
Partially-owned properties	1,925	83,600

Total minority interests	449,448	538,875

Commitments and contingencies		
STOCKHOLDERS' EQUITY:		
Preferred stock, 5,000,000 shares authorized, none issued	--	--
Common stock, \$0.01 par value, 190,000,000 shares authorized,		

56,980,893 and 58,446,552 shares outstanding	570	584
Additional paid-in capital	1,513,037	1,549,888
Dividends in excess of net earnings	(57,149)	(103,902)
Unamortized stock compensation	(3,168)	(4,688)

Total stockholders' equity	1,453,290	1,441,882

Total liabilities and stockholders' equity	\$ 3,676,977	\$ 3,629,601
=====		

</TABLE>

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

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

<TABLE>		
<CAPTION>		
		Years Ended December
31,		
REVENUES	2000	1999
1998		

<S>	<C>	<C>
<C>		
Base rents	\$ 491,193	\$ 469,853
\$ 427,528		
Escalations and recoveries from tenants	58,488	62,182
51,981		
Parking and other	15,325	15,915
10,712		
Equity in earnings of unconsolidated joint ventures	8,055	2,593
1,055		
Interest income	3,092	941
2,423		

Total revenues	576,153	551,484
493,699		

EXPENSES		

Real estate taxes	59,400	57,382
48,297		
Utilities	42,035	41,580
38,440		
Operating services	70,711	69,689
63,711		
General and administrative	23,276	25,480
24,828		
Depreciation and amortization	92,088	87,209
78,916		
Interest expense	105,394	102,960
88,043		
Non-recurring charges	37,139	16,458
--		

Total expenses	430,043	400,758
342,235		

Income before gain on sales of rental property, minority interests and extraordinary item	146,110	150,726
151,464		
Gain on sales of rental property	85,353	1,957
--		

Income before minority interests and extraordinary item	231,463	152,683
151,464		
MINORITY INTERESTS:		
Operating partnership	41,053	32,865

32,513		
Partially-owned properties	5,072	79
--		

Income before extraordinary item	185,338	119,739
118,951		
Extraordinary item - loss on early retirement of debt		
(net of minority interest's share of \$297 in 1998)	--	--
(2,373)		

Net income	\$ 185,338	\$ 119,739
\$ 116,578		
=====		
=====		
BASIC EARNINGS PER SHARE:		
Income before extraordinary item	\$ 3.18	\$ 2.05
\$ 2.13		
Extraordinary item - loss on early retirement of debt	--	--
(0.04)		

Net income	\$ 3.18	\$ 2.05
\$ 2.09		
=====		
=====		
DILUTED EARNINGS PER SHARE:		
Income before extraordinary item	\$ 3.10	\$ 2.04
\$ 2.11		
Extraordinary item - loss on early retirement of debt	--	--
(0.04)		

Net income	\$ 3.10	\$ 2.04
\$ 2.07		
=====		
=====		
Dividends declared per common share	\$ 2.38	\$ 2.26
\$ 2.10		

Basic weighted average shares outstanding	58,338	58,385
55,840		

Diluted weighted average shares outstanding	73,070	67,133
63,893		

</TABLE>

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

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

Total Stockholders' Equity	Common Stock		Additional	Dividends in	Unamortized
	Shares	Par Value	Paid-In Capital	Excess of Net Earnings	Stock Compensation
<S>	<C>	<C>	<C>	<C>	<C>
Balance at January 1, 1998	49,856	\$499	\$ 1,244,883	\$ (87,942)	\$ --
\$1,157,440					
Net income	--	--	--	116,578	--
116,578					
Dividends	--	--	--	(119,950)	--

(119,950)					
Net proceeds from common stock offerings	7,968	80	288,313	--	--
288,393					
Redemption of common units for shares of common stock	29	--	1,029	--	--
1,029					
Proceeds from stock options exercised	268	3	5,472	--	--
5,475					
Repurchase of common stock	(855)	(9)	(25,049)	--	--
(25,058)					

Balance at December 31, 1998	57,266	573	1,514,648	(91,314)	--
1,423,907					
Net income	--	--	--	119,739	--
119,739					
Dividends	--	--	--	(132,327)	--
(132,327)					
Redemption of common units for shares of common stock	1,935	19	56,046	--	--
56,065					
Proceeds from stock options exercised	48	--	1,049	--	--
1,049					
Proceeds from dividend reinvestment and stock purchase plan	1	--	32	--	--
32					
Deferred compensation plan for directors	--	--	90	--	--
90					
Issuance of Restricted Stock Awards	212	2	5,513	--	(5,515)
--					
Amortization of stock compensation	--	--	--	--	827
827					
Repurchase of common stock	(1,015)	(10)	(27,490)	--	--
(27,500)					

Balance at December 31, 1999	58,447	584	1,549,888	(103,902)	(4,688)
1,441,882					
Net income	--	--	--	185,338	--
185,338					
Dividends	--	--	--	(138,585)	--
(138,585)					
Redemption of common units for shares of common stock	448	5	14,234	--	--
14,239					
Proceeds from stock options exercised	117	1	2,499	--	--
2,500					
Deferred compensation plan for directors	--	--	111	--	--
111					
Amortization of stock compensation	--	--	--	--	1,672
1,672					
Adjustment to fair value of restricted stock	--	--	380	--	(283)
97					
Cancellation of Restricted Stock Awards	(5)	--	(131)	--	131
--					
Repurchase of common stock	(2,026)	(20)	(55,494)	--	--
(55,514)					
Stock options charge	--	--	1,550	--	--
1,550					

Balance at December 31, 2000	56,981	\$570	\$ 1,513,037	\$ (57,149)	\$ (3,168)
\$1,453,290					
=====					

</TABLE>

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

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

<TABLE>
<CAPTION>

	Years Ended December 31,	
	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES		
1998		

<S>	<C>	<C>	<C>
Net income	\$ 185,338	\$ 119,739	\$
116,578			
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	92,088	87,209	
78,916			
Amortization of stock compensation	1,769	827	
--			
Amortization of deferred financing costs and debt discount	4,257	3,570	
1,580			
Stock options charge	1,550	--	
--			
Equity in earnings of unconsolidated joint ventures	(8,055)	(2,593)	
(1,055)			
Gain on sales of rental property	(85,353)	(1,957)	
--			
Minority interests	46,125	32,944	
32,513			
Extraordinary item - loss on early retirement of debt	--	--	
2,373			
Changes in operating assets and liabilities:			
Increase in unbilled rents receivable	(12,591)	(12,412)	
(13,600)			
Increase in deferred charges and other assets, net	(31,332)	(28,893)	
(17,811)			
Increase in accounts receivable, net	(1,436)	(2,882)	
(192)			
(Decrease) increase in accounts payable and accrued expenses	(9,786)	27,536	
2,117			
(Decrease) increase in rents received in advance and security deposits	(2,896)	6,170	
8,585			
Increase (decrease) in accrued interest payable	851	14,380	
(1,243)			

Net cash provided by operating activities	\$ 180,529	\$ 243,638	\$
208,761			

=====

CASH FLOWS FROM INVESTING ACTIVITIES

Additions to rental property	\$ (268,243)	\$ (191,507)	\$
(692,766)			
Issuance of mortgage note receivable	(14,733)	--	
(20,000)			
Repayment of mortgage note receivable	--	--	
20,000			
Investments in unconsolidated joint ventures	(17,587)	(40,567)	
(58,844)			
Distributions from unconsolidated joint ventures	13,338	20,551	
1,725			
Proceeds from sales of rental property	292,890	17,400	
--			
Decrease (increase) in restricted cash	524	(1,055)	
818			

Net cash provided by (used in) investing activities	\$ 6,189	\$ (195,178)	\$
(749,067)			

=====

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from senior unsecured notes	\$ 15,000	\$ 782,535	\$
--			
Proceeds from revolving credit facilities	708,004	372,248	
1,375,758			
Proceeds from mortgages and loans payable	--	45,500	
150,000			
Repayments of revolving credit facilities	(536,164)	(866,848)	
(826,258)			
Repayments of mortgages and loans payable	(48,817)	(264,431)	
(271,807)			
Proceeds from minority interest of consolidated partially-owned properties	--	83,600	
--			
Distributions to minority interest in partially-owned properties	(88,672)	--	
--			

Repurchase of common stock (25,058)	(55,514)	(27,500)	
Redemption of common units (3,163)	--	--	
Payment of financing costs (10,110)	(6,394)	(7,048)	
Net proceeds from common stock offerings 288,393	--	--	
Proceeds from stock options exercised 5,475	2,500	1,049	
Proceeds from dividend reinvestment and stock purchase plan --	--	32	
Payment of dividends and distributions (139,819)	(172,153)	(164,735)	

Net cash (used in) provided by financing activities 543,411	\$ (182,210)	\$ (45,598)	\$
=====			
Net increase in cash and cash equivalents 3,105	\$ 4,508	\$ 2,862	\$
Cash and cash equivalents, beginning of period 2,704	\$ 8,671	\$ 5,809	\$

Cash and cash equivalents, end of period 5,809	\$ 13,179	\$ 8,671	\$
=====			

</TABLE>

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

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

1. ORGANIZATION AND BASIS OF PRESENTATION

ORGANIZATION

Mack-Cali Realty Corporation, a Maryland corporation, and subsidiaries (the "Company") is a fully-integrated, self-administered, self-managed real estate investment trust ("REIT") providing leasing, management, acquisition, development, construction and tenant-related services for its properties. As of December 31, 2000, the Company owned or had interests in 267 properties plus developable land (collectively, the "Properties"). The Properties aggregate approximately 28.2 million square feet, and are comprised of 163 office buildings and 91 office/flex buildings totaling approximately 27.8 million square feet (which includes eight office buildings and four office/flex buildings aggregating 1.5 million square feet, owned by unconsolidated joint ventures in which the Company has investment interests), six industrial/warehouse buildings totaling approximately 387,400 square feet, two multi-family residential complexes consisting of 451 units, two stand-alone retail properties and three land leases. The Properties are located in 11 states, primarily in the Northeast, plus the District of Columbia.

BASIS OF PRESENTATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

RENTAL

PROPERTY

Rental properties are stated at cost less accumulated depreciation and amortization. Costs directly related to the

acquisition and development of rental properties are capitalized. Capitalized development costs include interest, property taxes, insurance and other project costs incurred during the period of development. Included in total rental property is construction-in-progress of \$162,497 and \$99,987 as of December 31, 2000 and 1999, respectively. Ordinary repairs and maintenance are expensed as incurred; major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives. Fully-depreciated assets are removed from the accounts.

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

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

</TABLE>

On a periodic basis, management assesses whether there are any indicators that the value of the real estate properties may be impaired. A property's value is impaired only if management's estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property are less than the carrying value of the property. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the property over the fair value of the property. Management does not believe that the value of any of its rental properties is impaired.

When assets are identified by management as held for sale, the Company discontinues depreciating the assets and estimates the sales price, net of selling costs, of such assets. If, in management's opinion, the net sales price of the assets which have been identified for sale is less than the net book value of the assets, a valuation allowance is established. See Note 7.

INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES

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

CASH AND CASH EQUIVALENTS

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

DEFERRED FINANCING COSTS

Costs incurred in obtaining financing are capitalized and amortized on a straight-line basis, which approximates the effective interest method, over the term of the related indebtedness. Amortization of such costs is included in interest expense and was \$3,943, \$3,320 and \$1,580 for the years ended December 31, 2000, 1999 and 1998, respectively.

DEFERRED LEASING COSTS

Costs incurred in connection with leases are capitalized and amortized on a straight-line basis over the terms of the related leases and included in depreciation and amortization. Unamortized deferred leasing costs are charged to amortization expense upon early termination of the lease. Certain employees of the Company provide leasing services to the Properties and receive compensation based on space leased. The portion of

such compensation, which is capitalized and amortized, approximated \$3,704, \$3,704 and \$3,509 for the years ended December 31, 2000, 1999 and 1998, respectively.

REVENUE
RECOGNITION

Base rental revenue is recognized on a straight-line basis over the terms of the respective leases. Unbilled rents receivable represents the amount by which straight-line rental revenue exceeds rents currently billed in accordance with the lease agreements. Parking and other revenue includes income from parking spaces leased to tenants, income from tenants for additional services provided by the Company, income from tenants for early lease terminations and income from managing properties for third parties. Rental income on residential property under operating leases having terms generally of one year or less is recognized when earned.

Reimbursements are received from tenants for certain costs as provided in the lease agreements. These costs generally include real estate taxes, utilities, insurance, common area maintenance and other recoverable costs. See Note 15.

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INCOME AND
OTHER TAXES

The Company has elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"). As a REIT, the Company generally will not be subject to corporate federal income tax on net income that it currently distributes to its shareholders, provided that the Company, for its taxable years beginning prior to January 1, 2001, satisfies certain organizational and operational requirements including the requirement to distribute at least 95 percent of its REIT taxable income to its shareholders. For its taxable years beginning after December 31, 2000, as a result of recent amendments to the Code, the Company will be required to distribute at least 90 percent of its REIT taxable income to its shareholders. Effective January 1, 2001, the Company may elect to treat one or more of its existing or newly created corporate subsidiaries as a taxable REIT subsidiary ("TRS"). In general, a TRS of the Company may perform additional services for tenants of the Company and generally may engage in any real estate or non-real estate related business (except for the operation or management of health care facilities or lodging facilities or the providing to any person, under a franchise, license or otherwise, rights to any brand name under which any lodging facility or health care facility is operated). A TRS is subject to corporate federal income tax. The Company has elected to treat certain of its existing and newly created corporate subsidiaries as a TRS. If the Company fails to qualify as a REIT in any taxable year, the Company will be subject to federal income tax (including any applicable alternative minimum tax) on its taxable income at regular corporate tax rates. The Company is subject to certain state and local taxes.

INTEREST RATE
CONTRACTS

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

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

EARNINGS
PER SHARE

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

DIVIDENDS AND
DISTRIBUTIONS
PAYABLE

The dividends and distributions payable at December 31, 2000 represents dividends payable to shareholders of record as of January 4, 2001 (56,982,893 shares), distributions payable to minority interest common unitholders (7,963,725 common units) on that same date and preferred distributions payable to preferred unitholders (220,340 preferred units) for the fourth quarter 2000. The fourth quarter 2000 dividends and common unit distributions of \$0.61 per share and per common unit, as well as the fourth quarter preferred unit distribution of \$17.6046 per preferred unit, were approved by the Board of Directors on December 20, 2000 and paid on January 22, 2001.

The dividends and distributions payable at December 31, 1999 represents dividends payable to shareholders of record as of January 4, 2000 (58,450,552 shares), distributions payable to minority interest common unitholders (8,153,710 common units) on that same date and preferred distributions payable to preferred unitholders (229,304 preferred units) for the fourth quarter 1999. The fourth quarter 1999 dividends and common unit distributions of \$0.58 per share and

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per common unit (pro-rated for units issued during the quarter), as well as the fourth quarter preferred unit distribution of \$16.8750 per preferred unit, were approved by the Board of Directors on December 17, 1999 and paid on January 21, 2000.

UNDERWRITING
COMMISSIONS
AND COSTS

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

STOCK OPTIONS

The Company accounts for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations ("APB No. 25"). Under APB No. 25, compensation cost is measured as the excess, if any, of the quoted market price of the Company's stock at the date of grant over the exercise price of the option granted. Compensation cost for stock options, if any, is recognized ratably over the vesting period. The Company's policy is to grant options with an exercise price equal to the quoted closing market price of the Company's stock on the business day preceding the grant date. Accordingly, no compensation cost has been recognized under the Company's stock option plans for the granting of stock options. The Company provides additional pro forma disclosures as required under Statement of Financial Accounting Standards No. 123, "Accounting for Stock Based Compensation" ("FASB No. 123"). See Note 16.

EXTRAORDINARY
ITEM

Extraordinary item represents the effect resulting from the early settlement of certain debt obligations, including related deferred financing costs, prepayment penalties, yield maintenance payments and other related items.

NON-RECURRING
CHARGES

The Company considers non-recurring charges as costs incurred specific to significant non-recurring events that impact the comparative measurement of the Company's performance.

RECLASSIFICATIONS

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

3. ACQUISITIONS, PROPERTY SALES AND OTHER TRANSACTIONS

2000 TRANSACTIONS
OPERATING PROPERTY ACQUISITIONS

The Company acquired the following operating properties during the year ended December 31, 2000:

<TABLE>
<CAPTION>

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

(a)

<S>	<C>	<C>	<C>	<C>	<C>
OFFICE					
5/23/00	555 & 565 Taxter Road	Elmsford, Westchester County, NY	2	341,108	\$42,980
6/14/00	Four Gatehall Drive	Parsippany, Morris County, NJ	1	248,480	42,381

TOTAL OFFICE PROPERTY ACQUISITIONS: 3 589,588 \$85,361

OFFICE/FLEX					
3/24/00	Two Executive Drive (b)	Moorestown, Burlington County, NJ	1	60,800	\$ 4,007
7/14/00	915 North Lenola Road (b)	Moorestown, Burlington County, NJ	1	52,488	2,542

TOTAL OFFICE/FLEX PROPERTY ACQUISITION: 2 113,288 \$ 6,549

TOTAL OPERATING PROPERTY ACQUISITIONS: 5 702,876 \$91,910

</TABLE>

- (a) Transactions were funded primarily from net proceeds received in the sale or sales of rental property.
- (b) The properties were acquired through the exercise of a purchase option obtained in the initial acquisition of the McGarvey portfolio in January 1998.

PROPERTIES PLACED IN SERVICE

The Company placed in service the following properties through the completion of development during the year ended December 31, 2000:

Date Placed	Investment by	Location	# of Bldgs.	Rentable Square Feet	Company
9/01/00	Harborside Plaza 4-A (b)	Jersey City, Hudson County, NJ	1	207,670	\$61,459
9/15/00	Liberty Corner Corp. Center	Bernards Township, Somerset County, NJ	1	132,010	17,430

TOTAL PROPERTIES PLACED IN SERVICE: 2 339,680 \$78,889

</TABLE>

- (a) Transactions were funded primarily through draws on the Company's revolving credit facilities and amounts presented are as of December 31, 2000.
- (b) Project includes seven-story, 1,100-car parking garage.

LAND ACQUISITIONS

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

On August 24, 2000, the Company entered into a joint venture with SJP Properties Company ("SJP Properties") to form MC-SJP Morris V Realty, LLC and MC-SJP Morris VI Realty, LLC, which acquired approximately 47.5 acres of developable land located in Parsippany, Morris County, New Jersey. The land was acquired for approximately \$16,193. The Company accounts for the joint venture on a consolidated basis.

PROPERTY SALES

The Company sold the following properties during the year ended December 31, 2000:

<TABLE>
<CAPTION>

SALE BOOK DATE (LOSS)	GAIN/PROPERTY NAME	LOCATION	# OF BLDGS.	RENTABLE SQUARE FEET	NET SALES PROCEEDS	NET VALUE
<S>	<C>	<C>	<C>	<C>	<C>	<C>
LAND: 02/25/00	Horizon Center Land	Hamilton Township, Mercer County, NJ	--	39.1 acres	\$ 4,180	\$ 1,932
\$ 2,248						
OFFICE: 04/17/00 67,639	95 Christopher Columbus Dr.	Jersey City, Hudson County, NJ	1	621,900	148,222	80,583
04/20/00 (260)	6900 IH-40 West	Amarillo, Potter County, TX	1	71,771	1,467	1,727
06/09/00 6,542	412 Mt. Kemble Avenue	Morris Twp., Morris County, NJ	1	475,100	81,981	75,439
09/21/00 10,036	Cielo Center	Austin, Travis County, TX	1	270,703	45,785	35,749
11/15/00 (852)	210 South 16th Street (a)	Omaha, Douglas County, NE	1	319,535	11,976	12,828
TOTALS: \$85,353			5	1,759,009	\$293,611	\$208,258

(a) In connection with the sale of the Omaha, Nebraska property, the Company provided to the purchaser an \$8,750 mortgage loan bearing interest payable monthly at an annual rate of 9.50 percent. The loan is secured by the Omaha, Nebraska property and will mature on November 14, 2003.

OTHER EVENTS

On June 27, 2000, William L. Mack was appointed Chairman of the Board of Directors and John J. Cali was named Chairman Emeritus of the Board of Directors. Brant Cali resigned as Executive Vice President, Chief Operating Officer and Assistant Secretary of the Company and as a member of the Board of Directors, and John R. Cali resigned as Executive Vice President, Development of the Company. John R. Cali was appointed to the Board of Directors of the Company to take the seat previously held by Brant Cali. See Note 14.

On September 21, 2000, the Company and Prentiss Properties Trust, a Maryland REIT ("Prentiss"), mutually agreed to terminate the agreement and plan of merger ("Merger Agreement") dated as of June 27, 2000, among the Company, the Operating Partnership, Prentiss and Prentiss Properties Acquisition Partners, L.P., a Delaware limited partnership of which Prentiss (through a wholly-owned direct subsidiary) is the sole general partner ("Prentiss Partnership"). In connection with such termination, the Company deposited \$25,000 into escrow for the benefit of Prentiss and Prentiss Partnership. This cost and approximately \$2,911 of other costs associated with the termination of the Merger Agreement are included in non-recurring charges for the year ended December 31, 2000. Simultaneous with the termination, the Company sold to Prentiss its 270,703 square-foot Cielo Center property located in Austin, Travis County, Texas. See "2000 Transactions - Property Sales."

1999 TRANSACTIONS

OPERATING PROPERTY ACQUISITIONS

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

Acquisition Investment by Date	Property/Portfolio Name	Location	# of Bldgs.	Rentable Square Feet	Company
<S>	<C>		<C>	<C>	<C>
OFFICE 3/05/99	Pacifica Portfolio - Phase III (b)	Colorado Springs, El Paso County, CO	2	94,737	\$ 5,709
7/21/99	1201 Connecticut Avenue, NW	Washington, D.C.	1	169,549	32,799

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

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

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

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

PROPERTIES PLACED IN SERVICE

The Company placed in service the following properties through the completion of development or redevelopment during the year ended December 31, 1999:

<TABLE>					
<CAPTION>					

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

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

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

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

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

LAND LEASE					
2/01/99	Horizon Center Business Park (f)	Hamilton Township, Mercer County, NJ	N/A	27.7 acres	\$ 1,007

TOTAL LAND LEASE TRANSACTIONS:				27.7 acres	\$ 1,007

TOTAL PROPERTIES PLACED IN SERVICE:			5	403,256	\$59,083
=====					
=					
</TABLE>					

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

LAND ACQUISITIONS

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

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

On March 15, 1999, the Company entered into a joint venture with SJP 106 Allen Road, L.L.C. to form MC-SJP Pinson Development, LLC, which acquired vacant land located in Bernards Township, Somerset County, New Jersey. The joint venture subsequently completed construction and placed in service a 132,010 square-foot office building on this site (see "2000 Transactions - Properties Placed in Service"). The Company accounts for the joint venture on a consolidated basis.

On August 31, 1999, the Company acquired, from an entity whose principals include Brant Cali, a former executive officer of the Company and a former member of the Board of Directors of the Company, and certain immediate family members of John J. Cali, Chairman Emeritus of the Board of Directors of the Company, approximately 28.1 acres of developable land adjacent to two of the Company's operating properties located in Roseland, Essex County, New Jersey for approximately \$6,097. The acquisition was funded with cash and the issuance of 121,624 common units to the seller. The Company has commenced construction of a 220,000 square-foot office building on the acquired land.

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

PROPERTY SALES

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

<TABLE>
<CAPTION>

SALE GAIN/ DATE (LOSS)	PROPERTY NAME	LOCATION	# OF BLDGS.	RENTABLE SQUARE FEET	NET SALES PROCEEDS	NET BOOK VALUE
11/15/99	400 Alexander Road	Princeton, Mercer County, NJ	1	70,550	\$8,628	\$6,573
12/15/99 (98)	Beardsley Corporate Center	Phoenix, Maricopa County, AZ	1	119,301	8,772	8,870
TOTALS:			2	189,851	\$17,400	\$15,443

=====

</TABLE>

4. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES

PRU-BETA 3 (NINE CAMPUS DRIVE)

On March 27, 1998, the Company acquired a 50 percent interest in an existing joint venture with The Prudential Insurance Company of America ("Prudential"), known as Pru-Beta 3, which owns and operates Nine Campus Drive, a 156,495 square-foot office building, located in the Mack-Cali Business Campus (formerly Prudential Business Campus) office complex in Parsippany, Morris County, New Jersey. The Company performs management and leasing services for the property owned by the joint venture and recognized \$140, \$149 and \$114 in fees for such services in the years ended December 31, 2000, 1999 and 1998, respectively.

HPMC

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

CONTINENTAL GRAND II

Continental Grand II is a 239,085 square-foot office building located in El Segundo, Los Angeles County, California, which was constructed and placed in service by the venture.

SUMMIT RIDGE

Summit Ridge is an office complex of three one-story buildings aggregating 133,841 square feet located in San Diego, San Diego County, California, which was constructed and placed in service by the venture. In January 2001, the venture sold the office complex for approximately \$17,450.

LAVA RIDGE

Lava Ridge is an office complex of three two-story buildings aggregating 183,200 square feet located in Roseville, Placer County, California, which was constructed and placed in service by the venture.

PENINSULA GATEWAY

Peninsula Gateway is a parcel of land purchased from the city of Daly City, located in San Mateo County, California, upon which the venture has commenced construction of an office building and theater and retail complex aggregating 471,379 square feet.

STADIUM GATEWAY

Stadium Gateway is a 1.5 acre site located in Anaheim, Orange County, California, acquired by the venture upon which it has commenced construction of a six-story 261,554 square-foot office building.

G&G MARTCO (CONVENTION PLAZA)

On April 30, 1998, the Company acquired a 49.9 percent interest in an existing joint venture, known as G&G Martco, which owns Convention Plaza, a 305,618 square-foot office building, located in San Francisco, San Francisco County, California. A portion of its initial investment was financed through the issuance of common units, as well as funds drawn from the Company's credit facilities. Subsequently, on June 4, 1999, the Company acquired an additional 0.1 percent interest in G&G Martco through the issuance of common units (see Note 11). The Company performs management and leasing services for the property owned by the joint venture and recognized \$231, \$225 and \$20 in fees for such services in the years ended December 31, 2000, 1999 and 1998, respectively.

AMERICAN FINANCIAL EXCHANGE L.L.C.

On May 20, 1998, the Company entered into a joint venture agreement with Columbia Development Company, L.L.C. to form American Financial Exchange L.L.C. The venture was initially formed to acquire land for future development, located on the Hudson River waterfront in Jersey City, Hudson County, New Jersey, adjacent to the Company's Harborside Financial Center office complex. The Company holds a 50 percent interest in the joint venture. Among other things, the partnership agreement provides for a preferred return on the Company's invested capital in the venture, in addition to the Company's proportionate share of the venture's profit, as defined in the agreement. The joint venture acquired land on which it constructed a parking facility, which is currently leased to a parking operator under a 10-year agreement. Such parking facility serves a ferry service between the Company's Harborside property and Manhattan. In the fourth quarter 2000, the Company started construction of a 575,000 square-foot office building and terminated the parking agreement on certain of the land owned by the venture. The total costs of the project are currently projected to be approximately \$140,000. The project, which is currently 100 percent pre-leased, is anticipated to be completed in third quarter 2002.

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

On August 20, 1998, the Company entered into a joint venture agreement with S.B. New York Realty Corp. to form Ramland Realty Associates L.L.C. The venture was formed to own, manage and operate One Ramland Road, a 232,000 square-foot office/flex building plus adjacent developable land, located in Orangeburg,

Rockland County, New York. In August 1999, the joint venture completed redevelopment of the property and placed the office/flex building in service. The Company holds a 50 percent interest in the joint venture. The Company performs management, leasing and other services for the property owned by the joint venture and recognized \$198, \$628 and \$0 in fees for such services in the years ended December 31, 2000, 1999 and 1998, respectively.

ASHFORD LOOP ASSOCIATES L.P. (1001 SOUTH DAIRY ASHFORD/2100 WEST LOOP SOUTH)
On September 18, 1998, the Company entered into a joint venture agreement with Prudential to form Ashford Loop Associates L.P. The venture was formed to own, manage and operate 1001 South Dairy Ashford, a 130,000 square-foot office building acquired on September 18, 1998 and 2100 West Loop South, a 168,000 square-foot office building acquired on November 25, 1998, both located in Houston, Harris County, Texas. The Company holds a 20 percent interest in the joint venture. The joint venture may be required to pay additional consideration due to earn-out provisions in the acquisition contracts. Subsequently, through December 31, 2000, the venture paid \$19,714 (\$3,943 representing the Company's share) in accordance with earn-out provisions in the acquisition contracts. The Company performs management and leasing services for the properties owned by the joint venture and recognized \$172, \$117 and \$30 in fees for such services in the years ended December 31, 2000, 1999 and 1998, respectively.

ARCAP INVESTORS, L.L.C.

On March 18, 1999, the Company invested in ARCap Investors, L.L.C., a joint venture with several participants, which was formed to invest in sub-investment grade tranches of commercial mortgage-backed securities ("CMBS"). The Company has invested \$20,000 in the venture. William L. Mack, Chairman of the Board of Directors of the Company and an equity holder in the Operating Partnership, is a principal of the managing member of the venture. At December 31, 2000, the venture held approximately \$575,621 face value of CMBS bonds at an aggregate cost of \$280,982.

SOUTH PIER AT HARBORSIDE HOTEL DEVELOPMENT

On November 17, 1999, the Company entered into an agreement with Hyatt Corporation to develop a 350-room hotel on the Company's South Pier at Harborside Financial Center, Jersey City, Hudson County, New Jersey. In July 2000, the joint venture began development of the hotel project.

NORTH PIER AT HARBORSIDE RESIDENTIAL DEVELOPMENT

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

SUMMARIES OF UNCONSOLIDATED JOINT VENTURES

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

<TABLE>
<CAPTION>

	December 31, 2000						
Combined			G&G	American	Ramland	Ashford	
Total	Pru-Beta 3	HPMC	Martco	Exchange	Realty	Loop	ARCap
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<C>							
ASSETS:							
Rental property, net	\$20,810	\$ 78,119	\$ 10,589	\$13,309	\$38,497	\$37,777	\$ --
\$199,101							
Other assets	2,690	27,082	2,418	11,851	9,729	900	310,342
365,012							
Total assets	\$23,500	\$105,201	\$ 13,007	\$25,160	\$48,226	\$38,677	\$310,342
\$564,113							

LIABILITIES AND PARTNERS' /

MEMBERS' CAPITAL:

Mortgages and loans payable	\$ --	\$ 63,486	\$ 50,000	\$ --	\$33,966	\$ --	\$129,562
\$277,014							
Other liabilities	160	5,035	1,392	9,400	1,785	1,027	3,750

22,549								
Partners'/members' capital	23,340	36,680	(38,385)	15,760	12,475	37,650	177,030	
264,550								

Total liabilities and partners'/members' capital	\$23,500	\$ 105,201	\$ 13,007	\$25,160	\$48,226	\$38,677	\$310,342	
\$564,113								
=====								
Company's net investment in unconsolidated joint ventures	\$16,110	\$ 35,079	\$ 3,973	\$15,809	\$ 2,782	\$ 7,874	\$ 19,811	
\$ 101,438								

</TABLE>

<TABLE>
<CAPTION>

December 31, 1999							
Combined	Pru-Beta 3	HPMC	G&G Martco	American Financial Exchange	Ramland Realty	Ashford Loop	ARCap
Total							

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<C>							
ASSETS:							
Rental property, net	\$21,817	\$72,148	\$ 11,552	\$10,695	\$19,549	\$31,476	\$ --
\$167,237							
Other assets	3,319	6,427	2,571	773	5,069	768	239,441
258,368							

Total assets	\$25,136	\$78,575	\$ 14,123	\$11,468	\$24,618	\$32,244	\$239,441
\$425,605							
=====							
LIABILITIES AND PARTNERS'/MEMBERS' CAPITAL:							
Mortgages and loans payable	\$ --	\$41,274	\$ 43,081	\$ --	\$17,300	\$ --	\$108,407
\$210,062							
Other liabilities	186	7,254	1,383	2	1,263	3,536	36,109
49,733							
Partners'/members' capital	24,950	30,047	(30,341)	11,466	6,055	28,708	94,925
165,810							

Total liabilities and partners'/members' capital	\$25,136	\$78,575	\$ 14,123	\$11,468	\$24,618	\$32,244	\$239,441
\$425,605							
=====							
Company's net investment in unconsolidated joint ventures	\$17,072	\$23,337	\$ 8,352	\$11,571	\$ 2,697	\$ 6,073	\$ 20,032
\$ 89,134							

</TABLE>

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The following is a summary of the results of operations of the unconsolidated joint ventures for the period in which the Company had investment interests during the years ended December 31, 2000, 1999 and 1998:

<TABLE>
<CAPTION>

Year Ended December 31, 2000							
Combined	Pru-Beta 3	HPMC	G&G Martco	American Financial Exchange	Ramland Realty	Ashford Loop	ARCap
Total							

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<C>							
Total revenues	\$ 5,028	\$ 9,254	\$10,695	\$1,009	\$ 3,917	\$ 5,917	\$19,931
\$ 55,751							
Operating and other expenses	(1,619)	(2,628)	(3,312)	(155)	(1,030)	(2,773)	(3,060)
(14,577)							
Depreciation and amortization	(1,226)	(5,908)	(1,531)	(62)	(975)	(839)	--
(10,541)							
Interest expense	--	(4,535)	(4,084)	--	(1,547)	--	(5,045)
(15,211)							

Net income (loss)	\$ 2,183	\$ (3,817)	\$ 1,768	\$ 792	\$ 365	\$ 2,305	\$11,826
\$ 15,422							

Company's equity in earnings of unconsolidated joint ventures	\$ 935	\$ 3,248	\$ 483	\$ 735	\$ 180	\$ 474	\$ 2,000
\$ 8,055							

</TABLE>

<TABLE>
<CAPTION>

Year Ended December 31, 1999

Combined			G&G	American Financial	Ramland	Ashford	
	Pru-Beta 3	HPMC	Martco	Exchange	Realty	Loop	ARCap
Total							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<C>							
Total revenues	\$ 4,938	\$ 459	\$ 9,011	\$ 917	\$1,426	\$ 4,162	\$ 10,093
\$ 31,006							
Operating and other expenses	(1,505)	(104)	(3,238)	(287)	(352)	(2,327)	(3,774)
(11,587)							
Depreciation and amortization	(1,234)	(100)	(1,422)	(96)	(439)	(551)	--
(3,842)							
Interest expense	--	(119)	(3,116)	--	(45)	--	(2,185)
(5,465)							

Net income	\$ 2,199	\$ 136	\$ 1,235	\$ 534	\$ 590	\$ 1,284	\$ 4,134
\$ 10,112							

Company's equity in earnings (loss) of unconsolidated joint ventures	\$ 827	--	\$ (366)	\$ 541	\$ 298	\$ 233	\$ 1,060
\$ 2,593							

</TABLE>

<TABLE>
<CAPTION>

Year Ended December 31, 1998

Combined			G&G	American Financial	Ramland	Ashford	
	Pru-Beta 3	HPMC	Martco	Exchange	Realty	Loop	ARCap
Total							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<C>							
Total revenues	\$ 3,544	--	\$ 7,320	\$490	--	\$ 603	--
\$ 11,957							
Operating and other expenses	(1,124)	--	(2,955)	(35)	--	(287)	--
(4,401)							
Depreciation and amortization	(1,000)	--	(759)	(50)	--	(76)	--
(1,885)							
Interest expense	--	--	(3,495)	--	--	--	--
(3,495)							

Net income	\$ 1,420	--	\$ 111	\$405	--	\$ 240	--
------------	----------	----	--------	-------	----	--------	----

\$ 2,176

=====
Company's equity in earnings
(loss) of unconsolidated
joint ventures

\$ 723 -- \$ (182) \$455 -- \$ 59 --

\$ 1,055

</TABLE>

5. DEFERRED CHARGES AND OTHER ASSETS

<TABLE>
<CAPTION>

	December 31,	
	2000	1999
<S>	<C>	<C>
Deferred leasing costs	\$ 80,667	\$62,076
Deferred financing costs	23,085	16,690
	103,752	78,766
Accumulated amortization	(26,303)	(20,197)
	77,449	58,569
Deferred charges, net		
Prepaid expenses and other assets	25,206	7,867
Total deferred charges and other assets, net	\$ 102,655	\$66,436

</TABLE>

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6. RESTRICTED CASH

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

<TABLE>
<CAPTION>

	December 31,	
	2000	1999
<S>	<C>	<C>
Security deposits	\$ 6,477	\$ 6,021
Escrow and other reserve funds	80	1,060
Total restricted cash	\$ 6,557	\$ 7,081

</TABLE>

7. RENTAL PROPERTY HELD FOR SALE

As of December 31, 2000, included in total rental property are 10 office properties that the Company has identified as held for sale. These properties have an aggregate carrying value of \$107,458 and \$107,264 as of December 31, 2000 and 1999, respectively, and are located in San Antonio, Bexar County, Texas or Houston, Harris County, Texas.

As of December 31, 1999, included in total rental property were three office properties that the Company had identified as held for sale. The three office properties have an aggregate carrying value of \$77,783 as of December 31, 1999 and are located in Omaha, Douglas County, Nebraska; Jersey City, Hudson County, New Jersey or Amarillo, Potter County, Texas. The office properties located in Jersey City, Hudson County, New Jersey and Amarillo, Potter County, Texas were sold in April 2000 in two separate transactions and the property located in Omaha, Douglas County, Nebraska was sold in November 2000. See Note 3.

The following is a summary of the condensed results of operations of the rental properties held for sale at December 31, 2000 for the years ended December 31, 2000, 1999 and 1998:

<TABLE>
<CAPTION>

Years Ended December 31,
2000 1999 1998

<S>	<C>	<C>	<C>
Total revenues	\$ 26,069	\$ 24,181	\$ 23,856
Operating and other expenses	(13,227)	(12,589)	(11,391)
Depreciation and amortization	(2,380)	(2,732)	(2,397)
Net income	\$ 10,462	\$ 8,860	\$ 10,068

</TABLE>

There can be no assurance if and when sales of the Company's rental properties held for sale will occur.

8. SENIOR UNSECURED NOTES

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

On August 2, 1999, the Operating Partnership issued \$185,283 of senior unsecured notes with interest payable monthly in arrears. The proceeds from the issuance were used to retire an equivalent amount of a non-recourse mortgage loan.

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On December 21, 2000, the Operating Partnership issued \$15,000 of senior unsecured notes with interest payable semi-annually in arrears. The total proceeds from the issuance (net of selling commissions) of approximately \$14,907 were used primarily to pay down outstanding borrowings under the Prudential Facility, as defined in Note 9.

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

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

<TABLE> <CAPTION>	December 31,		Effective
	2000	1999	Rate (1)
<S>	<C>	<C>	<C>
7.180% Senior Unsecured Notes, due December 31, 2003	\$185,283	\$185,283	7.23%
7.000% Senior Unsecured Notes, due March 15, 2004	299,744	299,665	7.27%
7.250% Senior Unsecured Notes, due March 15, 2009	298,072	297,837	7.49%
7.835% Senior Unsecured Notes, due December 15, 2010	15,000	--	7.92%
Total Senior Unsecured Notes	\$798,099	\$782,785	7.35%

</TABLE>

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

In January 2001, the Operating Partnership issued \$300,000 face amount of 7.75 percent senior unsecured notes due February 15, 2011 with interest payable semi-annually in arrears. The total proceeds from the issuance (net of selling commissions and discount) of approximately \$296,300 were used to pay down outstanding borrowings under the 2000 Unsecured Facility, as defined in Note 9. The senior unsecured notes were issued at a discount of approximately \$1,731, which will be amortized over the term as an adjustment to interest expense.

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

9. REVOLVING CREDIT FACILITIES

2000 UNSECURED FACILITY

On June 22, 2000, the Company obtained an unsecured revolving credit facility ("2000 Unsecured Facility") with a current borrowing capacity of \$800,000 from a group of 24 lenders. The interest rate on outstanding borrowings under the credit line is currently the London Inter-Bank Offered Rate ("LIBOR") (6.56 percent at December 31, 2000) plus 80 basis points. The Company may instead elect an interest rate representing the higher of the lender's prime rate or the Federal Funds rate plus 50 basis points. The 2000 Unsecured Facility also requires a 20 basis point facility fee on the current borrowing capacity payable quarterly in arrears. In the event of a change in the Company's unsecured debt rating, the interest rate and facility fee will be changed on a sliding scale. Subject to certain conditions, the Company has the ability to increase the borrowing capacity of the credit line up to \$1,000,000. The 2000 Unsecured Facility matures in June 2003, with an extension option of one year, which would require a payment of 25 basis points of the then borrowing capacity of the credit line upon exercise.

The terms of the 2000 Unsecured Facility include certain restrictions and covenants which limit, among other things the payment of dividends (as discussed below), the incurrence of additional indebtedness, the incurrence of liens and the disposition of assets, and which require compliance with financial ratios relating to the maximum leverage ratio, the maximum amount of secured indebtedness, the minimum amount of tangible net worth, the minimum amount of debt service coverage, the minimum amount of fixed charge coverage, the maximum amount of unsecured indebtedness, the minimum amount of unencumbered property debt service coverage and certain investment limitations. The dividend restriction referred to above provides that, except to enable the Company to continue to qualify as a REIT under the Code, the Company will not during any four consecutive fiscal quarters make distributions with respect to common stock or other equity interests in an aggregate amount in excess of 90 percent of funds from operations (as defined) for such period, subject to certain other adjustments.

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The lending group for the 2000 Unsecured Facility consists of: Chase Manhattan Bank, as administrative agent; Fleet National Bank, as syndication agent; Bank of America, N.A., as documentation agent; Bank One, NA, Commerzbank Aktiengesellschaft and First Union National Bank, as senior managing agents; PNC Bank, N.A., as managing agent; Bank Austria Creditanstalt Corporate Finance, Inc., Bayerische Hypo-und Vereinsbank AG, Dresdner Bank AG, Societe Generale, Summit Bank and Wells Fargo Bank, N.A., as co-agents; and Bayerische Landesbank Girozentrale; Citizens Bank of Massachusetts; European American Bank; Chevy Chase Bank; Citicorp Real Estate, Inc.; DG Bank Deutsche Genossenschaftsbank, AG; Erste Bank; KBC Bank N.V.; SunTrust Bank; Bank Leumi USA and Israel Discount Bank of New York.

In conjunction with obtaining the 2000 Unsecured Facility, the Company drew funds on the new facility to repay in full and terminate the Unsecured Facility, as defined below.

UNSECURED FACILITY

The Company had an unsecured revolving credit facility ("Unsecured Facility") with a borrowing capacity of \$1,000,000 from a group of 28 lenders. The interest rate was based on the Company's achievement of investment grade unsecured debt ratings and, at the Company's election, bore interest at either 90 basis points over LIBOR or the higher of the lender's prime rate or the Federal Funds rate plus 50 basis points. In conjunction with obtaining the 2000 Unsecured Facility, the Company repaid in full and terminated the Unsecured Facility on June 22, 2000.

ORIGINAL UNSECURED FACILITY

The Original Unsecured Facility ("Original Unsecured Facility") was repaid in full and retired in connection with the Company obtaining the Unsecured Facility in April 1998. On account of prepayment fees, loan origination fees, legal fees, and other costs incurred in the retirement of the Original Unsecured Facility, an extraordinary loss of \$2,203, net of minority interest's share of the loss (\$275), was recorded for the year ended December 31, 1998.

PRUDENTIAL FACILITY

The Company has a revolving credit facility ("Prudential Facility") with Prudential Securities Corp. ("PSC") in the amount of \$100,000, which currently bears interest at 110 basis points over one-month LIBOR, with a maturity date of June 29, 2001. The Prudential Facility is a recourse liability of the Operating Partnership and is secured by the Company's equity interest in Harborside Plazas 2 and 3. The Prudential Facility limits the ability of the Operating Partnership to make any distributions during any fiscal quarter in an amount in excess of 100 percent of the Operating Partnership's available funds from operations (as defined) for the immediately preceding fiscal quarter (except to the extent such excess distributions or dividends are attributable to gains from the sale of the Operating Partnership's assets or are required for the Company to maintain its status as a REIT under the Code); provided, however, that the Operating Partnership may make distributions and pay dividends in excess of 100 percent of available funds from operations (as defined) for the preceding fiscal quarter for not more than three consecutive quarters. In addition to the foregoing, the

Prudential Facility limits the liens placed upon the subject property and certain collateral, the use of proceeds from the Prudential Facility, and the maintenance of ownership of the subject property and assets derived from said ownership. The Company has been notified that the Prudential Facility will not be renewed.

SUMMARY

As of December 31, 2000 and 1999, the Company had outstanding borrowings of \$348,840 and \$177,000, respectively, under its revolving credit facilities (with aggregate borrowing capacity of \$900,000 and \$1,100,000, respectively). The total outstanding borrowings were from the 2000 Unsecured Facility at December 31, 2000 and from the Unsecured Facility at December 31, 1999, with no outstanding borrowings under the Prudential Facility.

10. MORTGAGES AND LOANS PAYABLE

The Company has mortgages and loans payable which are comprised of various loans collateralized by certain of the Company's rental properties. Payments on mortgages and loans payable are generally due in monthly installments of principal and interest, or interest only.

A summary of the Company's mortgages and loans payable as of December 31, 2000 and 1999 is as follows:

<TABLE>
<CAPTION>

PROPERTY NAME MATURITY	LENDER	EFFECTIVE INTEREST RATE	PRINCIPAL BALANCE AT DECEMBER 31,	
			2000	1999

<S>	<C>	<C>	<C>	<C>
201 Commerce Drive 09/01/00	Sun Life Assurance Co.	6.240%	\$ --	\$ 1,059
3 & 5 Terri Lane 10/31/00	First Union National Bank	6.220%	--	4,434
101 & 225 Executive Drive 06/01/01	Sun Life Assurance Co.	6.270%	2,198	2,375
Mack-Cali Morris Plains 12/31/01	Corestates Bank	7.510%	2,169	2,235
Mack-Cali Willowbrook 10/01/03	CIGNA	8.670%	9,460	10,250
400 Chestnut Ridge 07/01/04	Prudential Insurance Co.	9.440%	13,588	14,446
Mack-Cali Centre VI 04/01/05	Principal Life Insurance Co.	6.865%	35,000	35,000
Various (a) 05/15/05	Prudential Insurance Co.	7.100%	150,000	150,000
Mack-Cali Bridgewater I 09/10/05	New York Life Ins. Co.	7.000%	23,000	23,000
Mack-Cali Woodbridge II 09/10/05	New York Life Ins. Co.	7.500%	17,500	17,500
Mack-Cali Short Hills 10/01/05	Prudential Insurance Co.	7.740%	25,911	26,604
500 West Putnam Avenue 10/10/05	New York Life Ins. Co.	6.520%	10,069	10,784
Harborside - Plaza 1 01/01/06	U.S. West Pension Trust	5.610%	54,370	51,015
Harborside - Plazas 2 and 3 01/01/06	Northwestern/Principal	7.320%	95,630	98,985
Mack-Cali Airport 04/01/07	Allstate Life Insurance Co.	7.050%	10,500	10,500
Kemble Plaza II 01/31/08	Mitsubishi Tr & Bk Co.	LIBOR+0.65%	--	40,025
Kemble Plaza I 01/31/09	Mitsubishi Tr & Bk Co.	LIBOR+0.65%	32,178	32,178

Total Property Mortgages			\$481,573	\$530,390
=====				

</TABLE>

(a) The Company has the option to convert the mortgage loan, which is secured by 11 properties, to unsecured debt.

INTEREST RATE CONTRACTS

On November 20, 1997, the Company entered into a forward treasury rate lock

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

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On October 1, 1998, the Company entered into a forward treasury rate lock agreement with a commercial bank. The agreement locked an interest rate of 4.089 percent per annum for the three-year U.S. Treasury Note effective November 4, 1999, on a notional amount of \$50,000. The agreement was used to fix the Index Rate on \$50,000 of the Harborside-Plaza 1 mortgage, for which the interest rate was re-set to the three-year U.S. Treasury Note (5.82 percent) plus 110 basis points for the three years beginning November 4, 1999 (see "Property Mortgages: Harborside-Plaza 1"). The Company received \$2,208 in settlement of the agreement, which is being amortized to interest expense over the three year-period.

SCHEDULED PRINCIPAL PAYMENTS

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

<TABLE>
<CAPTION>

YEAR	SCHEDULED AMORTIZATION	PRINCIPAL MATURITIES	TOTAL	WEIGHTED AVG. INTEREST RATE OF FUTURE REPAYMENTS (a)

<S>	<C>	<C>	<C>	<C>
2001	\$ 3,239	\$ 4,211	\$ 7,450	7.43%
2002	3,433	--	3,433	8.20%
2003	3,581	540,934	544,515	7.44%
2004	2,420	309,863	312,283	7.34%
2005	1,584	253,178	254,762	7.13%
Thereafter	(473)	506,542	506,069	7.38%

Totals/Weighted Average	\$ 13,784	\$ 1,614,728	\$ 1,628,512	7.29%
=====				

</TABLE>

(a) Assumes weighted average LIBOR at December 31, 2000 of 6.73 percent in calculating revolving credit facility and other variable rate debt interest rates.

CASH PAID FOR INTEREST AND INTEREST CAPITALIZED

Cash paid for interest for the years ended December 31, 2000, 1999 and 1998 was \$112,157, \$91,883 and \$92,441, respectively. Interest capitalized by the Company for the years ended December 31, 2000, 1999 and 1998 was \$11,524, \$6,840 and \$3,547, respectively.

SUMMARY OF INDEBTEDNESS

As of December 31, 2000, the Company's total indebtedness of \$1,628,512 (weighted average interest rate of 7.29 percent) was comprised of \$381,018 of revolving credit facility borrowings and other variable rate mortgage debt (weighted average rate of 7.53 percent) and fixed rate debt of \$1,247,494 (weighted average rate of 7.25 percent).

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

11. MINORITY INTERESTS

Minority interests in the accompanying consolidated financial statements relate to (i) preferred units in the Operating Partnership ("Preferred Units"), common units in the Operating Partnership and warrants to purchase common units ("Unit Warrants"), held by parties other than the Company, and (ii) interests in consolidated partially-owned properties for the portion of such properties not owned by the Company.

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PREFERRED UNITS

At January 1, 1999, the Company had 27,132 Series A Preferred Units and 223,124 Series B Preferred Units outstanding.

The Preferred Units have a stated value of \$1,000 per unit and are preferred as to assets over any class of common units or other class of preferred units of the Company, based on circumstances per the applicable unit certificates. The quarterly distribution on each Preferred Unit is an amount equal to the greater of (i) \$16.875 (representing 6.75 percent of the Preferred Unit stated value of an annualized basis) or (ii) the quarterly distribution attributable to a Preferred Unit determined as if such unit had been converted into common units, subject to adjustment for customary anti-dilution rights. Each of the Preferred Units may be converted at any time into common units at a conversion price of \$34.65 per unit. Common units received pursuant to such conversion may be redeemed for an equal number of shares of common stock.

During the year ended December 31, 1999, 20,952 Series A Preferred Units were converted into 604,675 common units. During the year ended December 31, 2000, 6,180 Series A Preferred Units and 2,784 Series B Preferred Units were converted into 258,702 common units.

As of December 31, 2000, there were 220,340 Series B Preferred Units outstanding (convertible into 6,359,019 common units). There were no Series A Preferred Units outstanding as of December 31, 2000.

COMMON UNITS

At January 1, 1999, the Company had 9,086,585 common units outstanding.

Certain individuals and entities own common units in the Operating Partnership. A common unit and a share of common stock of the Company have substantially the same economic characteristics in as much as they effectively share equally in the net income or loss of the Operating Partnership. Common units are redeemable by the common unitholders at their option, subject to certain restrictions, on the basis of one common unit for either one share of common stock or cash equal to the fair market value of a share at the time of the redemption. The Company has the option to deliver shares of common stock in exchange for all or any portion of the cash requested. When a unitholder redeems a common unit, minority interest in the Operating Partnership is reduced and the Company's investment in the Operating Partnership is increased.

During the year ended December 31, 1999, the Company issued an aggregate of 122,062 common units in connection with two separate transactions, valued at approximately \$3,362. During the year ended December 31, 1999, the Company issued 604,675 common units in connection with the conversion of 20,952 Preferred Units. During the year ended December 31, 1999, an aggregate of 1,934,657 common units were redeemed for an equivalent number of shares of common stock in the Company. During the year ended December 31, 1999, the Company also issued 275,046 common units, valued at approximately \$8,141, in connection with the achievement of certain performance goals at the Mack Properties, as defined below, in redemption of an equivalent number of contingent common units.

During the year ended December 31, 2000, the Company issued 258,702 common units in connection with the conversion of 8,964 Preferred Units, and an aggregate of 448,688 common units were redeemed for an equivalent number of shares of common stock in the Company.

As of December 31, 2000, there were 7,963,725 common units outstanding.

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CONTINGENT COMMON AND PREFERRED UNITS

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

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

UNIT WARRANTS

The Company has 2,000,000 Unit Warrants outstanding which enable the holders to purchase an equal number of common units at \$37.80 per unit. The Unit Warrants are all currently exercisable and expire on December 11, 2002.

MINORITY INTEREST OWNERSHIP

As of December 31, 2000 and 1999, the minority interest common unitholders owned 12.3 percent (20.1 percent, including the effect of the conversion of Preferred Units into common units) and 12.2 percent (20.2 percent including the effect of the conversion of Preferred Units into common units) of the Operating Partnership, respectively (excluding any effect for the exercise of Unit Warrants).

PARTIALLY-OWNED PROPERTIES

On December 28, 1999, the Company sold an interest in six office properties located in Parsippany, Morris County, New Jersey for \$83,600. Amongst other things, the operating agreements provided for a preferred return to the joint venture members. On June 29, 2000 the Company acquired a 100 percent interest in these properties and the Company paid an additional \$836 to the minority interest member in excess of its investment.

On August 24, 2000, MC-SJP Morris V Realty, LLC and MC-SJP Morris VI Realty, LLC acquired land in which SJP Properties has a minority interest amounting to \$1,925.

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

12. EMPLOYEE BENEFIT PLAN

All employees of the Company who meet certain minimum age and period of service requirements are eligible to participate in a 401(k) defined contribution plan (the "401(k) Plan"). The 401(k) Plan allows eligible employees to defer up to 15 percent of their annual compensation, subject to certain limitations imposed by federal law. The amounts contributed by employees are immediately vested and non-forfeitable. The Company, at management's discretion, may match employee contributions and/or make discretionary contributions. Management has approved, for the year ended December 31, 2001, a Company matching contribution to be paid under the 401(k) Plan equal to 50 percent of the first 3.5 percent of annual salary, as defined in the 401(k) Plan, contributed to the plan in 2001. Total expense recognized by the Company for the years ended December 31, 2000, 1999 and 1998 was \$0, \$400 and \$0, respectively.

13. DISCLOSURE OF FAIR VALUE OF FINANCIAL INSTRUMENTS

The following disclosure of estimated fair value was determined by management using available market information and appropriate valuation methodologies. However, considerable judgement is necessary to interpret market data and develop estimated fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize on disposition of the financial instruments at December 31, 2000 and 1999. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

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Cash equivalents, receivables, accounts payable, and accrued expenses and other liabilities are carried at amounts which reasonably approximate their fair values as of December 31, 2000 and 1999.

The estimated fair value (excluding prepayment penalties) of the Senior Unsecured Notes and mortgages and loans payable as of December 31, 2000 approximated the carrying values of \$798,099 and \$481,573, respectively, and as of December 31, 1999 was approximately \$741,824 and \$511,281, respectively, based upon then current interest rates for debt with similar terms and remaining maturities. Revolving credit facility borrowings as of December 31, 2000 and 1999 approximated the carrying values of \$348,840 and \$177,000, respectively.

Disclosure about fair value of financial instruments is based on pertinent information available to management as of December 31, 2000 and 1999. Although management is not aware of any factors that would significantly affect the fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since December 31, 2000 and current estimates of fair value may differ significantly from the amounts presented herein.

14. COMMITMENTS AND CONTINGENCIES

TAX ABATEMENT AGREEMENTS

HARBORSIDE FINANCIAL CENTER

Pursuant to an agreement with the City of Jersey City, New Jersey, the Company is required to make payments in lieu of property taxes ("PILOT") on its Harborside Plaza 2 and 3 properties. The agreement, which commenced in 1990, is for a term of 15 years. Such PILOT is equal to two percent of Total Project Costs, as defined, in year one and increases by \$75 per annum through

year 15. Total Project Costs, as defined, are \$145,644. The PILOT totaled \$2,677, \$2,620 and \$2,570 for the years ended December 31, 2000, 1999 and 1998, respectively.

The Company has entered into a similar agreement with the City of Jersey City, New Jersey on its Harborside Plaza 4-A property. Pursuant to the agreement, such PILOT is equal to two percent of Total Project Costs, as defined, which was estimated to be \$45,497. The PILOT, based upon the estimated Total Project Costs, was \$25 for the in-service period of the property during the year ended December 31, 2000.

GROUND LEASE AGREEMENTS

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

<TABLE>
<CAPTION>

YEAR	AMOUNT
2001	\$ 531
2002	531
2003	531
2004	534
2005	534
Thereafter	21,997
Total	\$24,658

</TABLE>

Ground lease expense incurred during the years ended December 31, 2000, 1999 and 1998 amounted to \$570, \$561 and \$419, respectively.

OTHER

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

Pursuant to the terms of Mr. Rizk's employment agreement entered into with the Company in December 1997 and an agreement entered into simultaneous with his resigning from the Company, Mr. Rizk received payments of approximately \$14,490 in April 1999 and \$500 in April 2000 and will receive \$500 annually over the next two years. All costs associated with Mr. Rizk's resignation are included in non-recurring charges for the year ended December 31, 1999.

On June 27, 2000, both Brant Cali and John R. Cali resigned their positions as officers of the Company and Brant Cali resigned as a director of the Company. John R. Cali was appointed to the Board of Directors of the Company to take the seat previously held by Brant Cali. As required by Brant Cali and John R. Cali's employment agreements with the Company: (i) the Company paid \$2,820 and \$2,806 (less applicable withholding) to Brant Cali and John R. Cali, respectively; (ii) all options to acquire shares of the Company's common stock and Restricted Stock Awards (as hereinafter defined) held by Brant Cali and John R. Cali became fully vested on the effective date of their resignations from the Company. All costs associated with Brant Cali and John R. Cali's resignations, which totaled approximately \$9,228, are included in non-recurring charges for the year ended December 31, 2000.

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

15. TENANT LEASES

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

operating costs, as defined, and the pass through of charges for electrical usage.

Future minimum rentals to be received under non-cancelable operating leases at December 31, 2000, are as follows:

YEAR	AMOUNT
2001	\$ 475,043
2002	440,153
2003	379,721
2004	326,091
2005	276,779
Thereafter	997,529
Total	\$2,895,316

16. STOCKHOLDERS' EQUITY

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

COMMON STOCK REPURCHASES

On August 6, 1998, the Board of Directors of the Company authorized a share repurchase program ("Repurchase Program") under which the Company was permitted to purchase up to \$100,000 of the Company's outstanding common stock. Purchases could be made from time to time in open market transactions at prevailing prices or through privately negotiated transactions. Under the Repurchase Program, the Company purchased for constructive retirement 1,869,200 shares of its outstanding common stock for an aggregate cost of approximately \$52,562 from August 1998 through December 1999.

On September 13, 2000, the Board of Directors authorized an increase to the Repurchase Program under which the Company is permitted to purchase up to an additional \$150,000 of the Company's outstanding common stock above the \$52,562 that had previously been purchased. The Company purchased for constructive retirement 2,026,300 shares of its outstanding common stock for an aggregate cost of approximately \$55,514 from September 13, 2000 through December 31, 2000.

Subsequent to year end through February 15, 2001, the Company purchased for constructive retirement 72,000 shares of its outstanding common stock for an aggregate cost of approximately \$1,982 under the Repurchase Program.

DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

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

During the year ended December 31, 1999, 1,082 shares were issued and proceeds of approximately \$32 were received from stock purchases and/or dividend reinvestments under the Plan. The Company did not issue any shares under the Plan during the year ended December 31, 2000.

SHAREHOLDER RIGHTS PLAN

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

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

On June 27, 2000, the Company amended its shareholder rights plan to prevent the triggering of such plan as a result of the Merger Agreement.

STOCK OPTION PLANS

In September 2000, the Company established the 2000 Employee Stock Option Plan ("2000 Employee Plan") and the 2000 Director Stock Option Plan ("2000 Director Plan") under which a total of 2,700,000 shares (subject to adjustment) of the Company's common stock have been reserved for issuance (2,500,000 shares under the 2000 Employee Plan and 200,000 shares under the 2000 Director Plan). In 1994, and as subsequently amended, the Company established the Mack-Cali Employee Stock Option Plan ("Employee Plan") and the Mack-Cali Director Stock Option Plan ("Director Plan") under which a total of 5,380,188 shares (subject to adjustment) of the Company's common stock have been reserved for issuance (4,980,188 shares under the Employee Plan and 400,000 shares under the Director Plan). Stock options granted under the Employee Plan in 1994 and 1995 have become exercisable over a three-year period and those options granted under both the 2000 Employee Plan and Employee Plan in 1996, 1997, 1998, 1999 and 2000 become exercisable over a five-year period. All stock options granted under both the 2000 Director Plan and Director Plan become exercisable in one year. All options were granted at the fair market value at the dates of grant and have terms of ten years. As of December 31, 2000 and 1999, the stock options outstanding had a weighted average remaining contractual life of approximately 7.5 and 7.4 years, respectively.

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

<TABLE>
<CAPTION>

	Shares Under Options	Weighted Average Exercise Price

<S>	<C>	<C>
Outstanding at January 1, 1998	3,287,290	\$31.47
Granted	1,048,620	\$35.90
Exercised	(267,660)	\$20.47
Lapsed or canceled	(128,268)	\$36.61

Outstanding at December 31, 1998	3,939,982	\$33.22
Granted	426,400	\$25.23
Exercised	(47,583)	\$22.31
Lapsed or canceled	(591,648)	\$36.92

Outstanding at December 31, 1999	3,727,151	\$31.86
Granted	1,523,900	\$26.75
Exercised	(117,053)	\$21.45
Lapsed or canceled	(500,679)	\$34.64

Outstanding at December 31, 2000	4,633,319	\$30.14
=====		
Options exercisable at December 31, 1999	1,724,920	\$29.78
Options exercisable at December 31, 2000	2,049,041	\$31.02

Available for grant at December 31, 1999	662,878	
Available for grant at December 31, 2000	2,344,757	

</TABLE>

The weighted average fair value of options granted during 2000, 1999 and 1998 were \$3.40, \$2.74 and \$5.59 per option, respectively. The fair value of each significant option grant is estimated on the date of grant using the Black-Scholes model. The following weighted average assumptions are included in the Company's fair value calculations of stock options:

<TABLE>
<CAPTION>

	2000	1999	1998
<S>	<C>	<C>	<C>
Expected life (in years)	6	6	6
Risk-free interest rate	5.67%	6.12%	5.41%
Volatility	22.66%	24.72%	23.37%
Dividend yield	8.82%	9.15%	5.78%

</TABLE>

FASB NO. 123

Under the above models, the value of stock options granted during 2000, 1999 and 1998 totaled approximately \$5,181, \$1,167 and \$5,281, respectively, which would be amortized ratably on a pro forma basis over the appropriate vesting period. Had the Company determined compensation cost for these granted securities in accordance with FASB No. 123, the Company's pro forma net income, basic earnings per share and diluted earnings per share would have been \$179,131, \$3.07 and \$3.01 in 2000, \$113,854, \$1.95 and \$1.94 in 1999 and \$110,061, \$1.97 and \$1.96 in 1998, respectively.

STOCK WARRANTS

The Company has 360,000 warrants outstanding which enable the holders to purchase an equal number of shares of its common stock ("Stock Warrants") at \$33 per share (the market price at date of grant). Such warrants are all currently exercisable and expire on January 31, 2007.

The Company also has 389,976 Stock Warrants outstanding which enable the holders to purchase an equal number of its shares of common stock at \$38.75 per share (the market price at date of grant). Such warrants vest equally over a five-year period through December 31, 2001 and expire on December 12, 2007.

As of December 31, 2000 and 1999, there were a total of 749,976 and 914,976 Stock Warrants outstanding, respectively. As of December 31, 2000 and 1999, there were 613,985 and 585,989 Stock Warrants exercisable, respectively. For the years ended December 31, 2000 and 1999, 165,000 and no Stock Warrants were canceled, respectively. No Stock Warrants have been exercised through December 31, 2000.

STOCK COMPENSATION

In July 1999, the Company entered into amended and restated employment contracts with six of its then key executive officers which provided for, among other things, compensation in the form of stock awards and associated tax obligation payments. In addition, in December 1999, the Company granted stock awards to certain other officers of the Company. In connection with the stock awards (collectively, "Restricted Stock Awards"), the executive officers and certain other officers are to receive up to a total of 211,593 shares of the Company's common stock vesting over a five-year period contingent upon the Company meeting certain performance and/or stock price appreciation objectives. The Restricted Stock Awards provided to the executive officers and certain other officers were granted under the Employee Plan. Effective January 1, 2000, 31,737 shares of the Company's common stock were issued to the executive officers and certain other officers upon meeting the required objectives. In connection with the resignation of each of Brant Cali and John R. Cali from the Company, all of their respective remaining restricted stock, an aggregate of 38,649 shares, were issued to Brant Cali and John R. Cali upon the accelerated vesting of their remaining Restricted Stock Awards. For the years ended December 31, 2000 and 1999, 5,100 and no unvested Restricted Stock Awards were canceled, respectively.

DEFERRED STOCK COMPENSATION PLAN FOR DIRECTORS

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

During the years ended December 31, 2000 and 1999, 4,227 and 3,319 deferred stock units were earned, respectively.

EARNINGS PER SHARE

FASB No. 128 requires a dual presentation of basic and diluted EPS on the face of the income statement for all companies with complex capital structures even where the effect of such dilution is not material. Basic EPS excludes dilution

and is computed by dividing net income available to common stockholders by the weighted average number of shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock.

The following information presents the Company's results for the years ended December 31, 2000, 1999 and 1998 in accordance with FASB No. 128:

<TABLE>
<CAPTION>

	For the Year Ended December 31,					
	2000		1999		1998	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS	Basic EPS	Diluted
EPS						
Net income	\$185,338	\$185,338	\$119,739	\$119,739	\$116,578	
Add: Net income attributable to Operating Partnership - common units	--	25,612	--	17,389	--	
15,903						
Net income attributable to Operating Partnership - preferred units	--	15,441	--	--	--	
Adjusted net income	\$185,338	\$226,391	\$119,739	\$137,128	\$116,578	
\$132,481						
Weighted average shares	58,338	73,070	58,385	67,133	55,840	
63,893						
Per Share	\$ 3.18	\$ 3.10	\$ 2.05	\$ 2.04	\$ 2.09	\$
2.07						

</TABLE>

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

<TABLE>
<CAPTION>

	Year Ended December 31,		
	2000	1999	1998
Basic EPS Shares:	58,338	58,385	55,840
Add: Operating Partnership - common units	8,054	8,500	7,598
Operating Partnership - preferred units (after conversion to common units)	6,485	--	--
Stock options	188	241	411
Restricted Stock Awards	5	7	--
Stock Warrants	--	--	44
Diluted EPS Shares:	73,070	67,133	63,893

</TABLE>

Contingent Units outstanding in 1998 were not included in the 1998 computation of diluted EPS as such units were anti-dilutive during the period. Preferred Units outstanding in 1999 and 1998 were not included in the 1999 and 1998 computations of diluted EPS as such units were anti-dilutive during the periods.

Through December 31, 2000, under the Repurchase Program, the Company purchased for constructive retirement, a total of 3,895,500 shares of its outstanding common stock for an aggregate cost of approximately \$108,076.

17. SEGMENT REPORTING

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

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

Selected results of operations for the years ended December 31, 2000, 1999 and 1998 and selected asset information as of December 31, 2000 and 1999 regarding the Company's operating segment are as follows:

<TABLE>
<CAPTION>

	Total Segment	Corporate & Other (e)	Total Company

<S>	<C>	<C>	<C>
TOTAL CONTRACT REVENUES (a):			
2000	\$ 557,926	\$ 5,623	\$ 563,549 (f)
1999	534,985	3,903	538,888 (g)
1998	475,096	4,919	480,015 (h)
TOTAL OPERATING AND INTEREST EXPENSES (b):			
2000	\$ 174,116	\$ 126,700	\$ 300,816 (i)
1999	168,166	128,925	297,091 (j)
1998	149,791	113,528	263,319 (k)
NET OPERATING INCOME (c):			
2000	\$ 383,810	\$ (121,077)	\$ 262,733 (f) (i)
1999	366,819	(125,022)	241,797 (g) (j)
1998	325,305	(108,609)	216,696 (h) (k)
TOTAL ASSETS:			
2000	\$3,623,107	\$ 53,870	\$3,676,977
1999	3,580,782	48,819	3,629,601
TOTAL LONG-LIVED ASSETS (d):			
2000	\$3,522,766	\$ 23,574	\$3,546,340
1999	3,515,669	24,934	3,540,603

</TABLE>

- (a) Total contract revenues represent all revenues during the period (including the Company's share of net income from unconsolidated joint ventures), excluding adjustments for straight-lining of rents and the Company's share of straight-line rent adjustments from unconsolidated joint ventures. All interest income is excluded from segment amounts and is classified in Corporate and Other for all periods.
- (b) Total operating and interest expenses represent the sum of real estate taxes, utilities, operating services, general and administrative and interest expense. All interest expense (including for property-level mortgages) is excluded from segment amounts and classified in Corporate and Other for all periods.
- (c) Net operating income represents total contract revenues [as defined in Note (a)] less total operating and interest expenses [as defined in Note (b)] for the period.
- (d) Long-lived assets are comprised of total rental property, unbilled rents receivable and investments in unconsolidated joint ventures.
- (e) Corporate & Other represents all corporate-level items (including interest and other investment income, interest expense and non-property general and administrative expense) as well as intercompany eliminations necessary to reconcile to consolidated Company totals.
- (g) Excludes \$12,580 of adjustments for straight-lining of rents and \$24 for the Company's share of straight-line rent adjustments from unconsolidated joint ventures.
- (g) Excludes \$12,438 of adjustments for straight-lining of rents and \$158 for the Company's share of straight-line rent adjustments from unconsolidated joint ventures.
- (h) Excludes \$13,575 of adjustments for straight-lining of rents and \$109 for the Company's share of straight-line rent adjustments from unconsolidated joint ventures.
- (i) Excludes \$92,088 of depreciation and amortization and non-recurring charges of \$37,139.
- (j) Excludes \$87,209 of depreciation and amortization and non-recurring charges of \$16,458.
- (k) Excludes \$78,916 of depreciation and amortization.

18. RELATED PARTY TRANSACTIONS

The son of a current director of the Company, who was also a former officer of the Company, serves as an officer of a company which provides cleaning and other related services to certain of the Company's properties. The Company has incurred costs from this company of approximately \$3,164, \$2,524 and \$2,296 for

the years ended December 31, 2000, 1999 and 1998, respectively. As of December 31, 2000 and 1999, respectively, the Company had accounts payable of approximately \$108 and \$307 to this company.

The Company provides management, leasing and construction services to properties owned by third parties in which certain officers and directors of the Company hold an ownership interest. The Company recognized approximately \$1,921, \$1,960 and \$2,476 in revenues from these properties for the years ended December 31, 2000, 1999 and 1998, respectively. As of December 31, 2000 and 1999, respectively, the Company had total receivables from these properties of approximately \$1,000 and \$96.

The Company purchased land parcels in three separate transactions from affiliates of the Company. The Company also acquired a portfolio of properties from an affiliate of the Company. See Note 3.

19. IMPACT OF RECENTLY-ISSUED ACCOUNTING STANDARDS

In June 1998, the FASB issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities ("FASB No. 133"). FASB No. 133 is effective for all fiscal quarters of all fiscal years beginning after June 15, 1999. In June 1999, the FASB delayed the implementation date of FASB No. 133 by one year (January 1, 2001 for the Company). FASB No. 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. Management of the Company has determined that, due to its limited use of derivative instruments, the adoption of FASB No. 133 will not have a significant effect on the Company's financial position at January 1, 2001, nor is it expected to materially impact future results of operations.

20. CONDENSED QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

The following summarizes the condensed quarterly financial information for the Company:

<TABLE>
<CAPTION>

QUARTER ENDED 2000:	December 31	September 30	June 30	March 31

<S>	<C>	<C>	<C>	<C>
Total revenues	\$ 143,903	\$ 143,382	\$ 145,889	\$142,979
Operating and other expenses	43,561	44,191	41,569	42,825
General and administrative	6,543	5,461	5,159	6,113
Depreciation and amortization	23,641	23,320	22,945	22,182
Interest expense	26,271	25,862	26,835	26,426
Non-recurring charges	--	27,911	9,228	--

Income before gain on sales of rental property, minority interests and extraordinary item	43,887	16,637	40,153	45,433
(Loss) gain on sales of rental property	(852)	10,036	73,921	2,248

Income before minority interests and extraordinary item	43,035	26,673	114,074	47,681
Minority interests	8,632	6,661	19,766	11,066

Income before extraordinary item	34,403	20,012	94,308	36,615
Extraordinary item-loss on early retirement of debt	--	--	--	--

Net income	\$ 34,403	\$ 20,012	\$ 94,308	\$ 36,615
=====				
BASIC EARNINGS PER SHARE:				
Income before extraordinary item	\$ 0.60	\$ 0.34	\$ 1.61	\$ 0.63
Extraordinary item - loss on early retirement of debt	--	--	--	--

Net income	\$ 0.60	\$ 0.34	\$ 1.61	\$ 0.63
=====				

DILUTED EARNINGS PER SHARE:				
Income before extraordinary item	\$ 0.59	\$ 0.34	\$ 1.52	\$ 0.62
Extraordinary item - loss on early retirement of debt	--	--	--	--

Net income	\$ 0.59	\$ 0.34	\$ 1.52	\$ 0.62
=====				
Dividends declared per common share	\$ 0.61	\$ 0.61	\$ 0.58	\$ 0.58

</TABLE>

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<TABLE>
<CAPTION>

QUARTER ENDED 1999:	December 31	September 30	June 30	March 31

<S>	<S>	<S>	<S>	<S>
Total revenues	\$ 140,600	\$ 139,020	\$ 136,975	\$134,889
Operating and other expenses	43,716	42,947	41,466	40,522
General and administrative	6,258	5,691	5,568	7,963
Depreciation and amortization	19,808	22,967	22,465	21,969
Interest expense	27,167	26,474	25,697	23,622
Non-recurring charges	--	--	16,458	--

Income before gain on sale of rental property, minority interests and extraordinary item	43,651	40,941	25,321	40,813
Gain on sale of rental property	1,957	--	--	--

Income before minority interests and extraordinary item	45,608	40,941	25,321	40,813
Minority interests	9,139	8,421	6,635	8,749

Income before extraordinary item	36,469	32,520	18,686	32,064
Extraordinary item - loss on early retirement of debt	--	--	--	--

Net income	\$ 36,469	\$ 32,520	\$ 18,686	\$ 32,064
=====				
BASIC EARNINGS PER SHARE:				
Income before extraordinary item	\$ 0.63	\$ 0.55	\$ 0.32	\$ 0.55
Extraordinary item - loss on early retirement of debt	--	--	--	--

Net income	\$ 0.63	\$ 0.55	\$ 0.32	\$ 0.55
=====				
DILUTED EARNINGS PER SHARE:				
Income before extraordinary item	\$ 0.62	\$ 0.55	\$ 0.32	\$ 0.55
Extraordinary item - loss on early retirement of debt	--	--	--	--

Net income	\$ 0.62	\$ 0.55	\$ 0.32	\$ 0.55
=====				
Dividends declared per common share	\$ 0.58	\$ 0.58	\$ 0.55	\$ 0.55

</TABLE>

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SCHEDULE III

<TABLE>
<CAPTION>

PROPERTY ACCUMULATED LOCATION (2) DEPRECIATION	YEAR		RELATED ENCUMBRANCES	INITIAL COSTS		COSTS CAPITALIZED SUBSEQUENT TO ACQUISITION	GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD (1)		
	BUILT	ACQUIRED		BUILDING AND			BUILDING AND		
	LAND	IMPROVEMENTS		LAND	IMPROVEMENTS		TOTAL		
ATLANTIC COUNTY, NEW JERSEY EGG HARBOR 100 Decadon Drive (O)..... \$437	1987	1995	--	\$300	\$3,282	\$160	\$300	\$3,442	\$3,742
200 Decadon Drive (O)..... 480	1991	1995	--	369	3,241	169	369	3,410	3,779
BERGEN COUNTY, NEW JERSEY FAIR LAWN 17-17 Rte 208 North (O)..... 2,980	1987	1995	--	3,067	19,415	941	3,067	20,356	23,423
FORT LEE One Bridge Plaza (O)..... 2,862	1981	1996	--	2,439	24,462	1,560	2,439	26,022	28,461
2115 Linwood Avenue (O)..... 326	1981	1998	--	474	4,419	4,454	474	8,873	9,347
LITTLE FERRY 200 Riser Road (O)..... 1,197	1974	1997	10,500	3,888	15,551	246	3,888	15,797	19,685
MONTVALE 95 Chestnut Ridge Road (O).... 376	1975	1997	2,135	1,227	4,907	523	1,227	5,430	6,657
135 Chestnut Ridge Road (O).... 829	1981	1997	--	2,587	10,350	1,740	2,588	12,089	14,677
PARAMUS 15 East Midland Avenue (O)..... 3,161	1988	1997	24,790	10,375	41,497	70	10,374	41,568	51,942
461 From Road (O)..... 4,021	1988	1997	35,000	13,194	52,778	121	13,194	52,899	66,093
650 From Road (O)..... 3,216	1978	1997	23,316	10,487	41,949	593	10,487	42,542	53,029
140 Ridgewood Avenue (O)..... 2,122	1981	1997	15,392	7,932	31,463	578	7,932	32,041	39,973
61 South Paramus Avenue (O)..... 3,153	1985	1997	15,776	9,005	36,018	4,234	9,005	40,252	49,257
ROCHELLE PARK 120 Passaic Street (O)..... 413	1972	1997	--	1,354	5,415	99	1,357	5,511	6,868
365 West Passaic Street (O)..... 1,430	1976	1997	7,468	4,148	16,592	1,615	4,148	18,207	22,355
SADDLE RIVER 1 Lake Street (O)..... 4,248	1994	1997	35,789	13,952	55,812	7	13,953	55,818	69,771
UPPER SADDLE RIVER 10 Mountainview Road (O)..... 1,823	1986	1998	--	4,240	20,485	375	4,240	20,860	25,100

WOODCLIFF LAKE										
400 Chestnut Ridge Road (O)....	1982	1997	13,588	4,201	16,802	9	4,200	16,812	21,012	
1,276										
470 Chestnut Ridge Road (O)....	1987	1997	4,087	2,346	9,385	2	2,346	9,387	11,733	
714										
530 Chestnut Ridge Road (O)....	1986	1997	4,032	1,860	7,441	3	1,860	7,444	9,304	
566										
300 Tice Boulevard (O).....	1991	1996	--	5,424	29,688	575	5,424	30,263	35,687	
3,130										
50 Tice Boulevard (O).....	1984	1994	--	4,500	--	26,644	4,500	26,644	31,144	
12,226										

BURLINGTON COUNTY, NEW JERSEY										
BURLINGTON										
3 Terri Lane (F)..	1991	1998	--	652	3,433	906	658	4,333	4,991	
374										
5 Terri Lane (F)..	1992	1998	--	564	3,792	1,662	569	5,449	6,018	
451										
DELRAN										
Tenby Chase Apartments (M)....	1970	1994	--	396	--	5,584	396	5,584	5,980	
3,600										
MOORESTOWN										
2 Commerce Drive (F).....	1986	1999	--	723	2,893	59	723	2,952	3,675	
73										
101 Commerce Drive (F).....	1988	1998	--	422	3,528	253	426	3,777	4,203	
385										
102 Commerce Drive (F).....	1987	1999	--	389	1,554	34	389	1,588	1,977	
39										
201 Commerce Drive (F).....	1986	1998	--	254	1,694	90	257	1,781	2,038	
159										
202 Commerce Drive (F).....	1988	1999	--	490	1,963	21	490	1,984	2,474	
49										
1 Executive Drive (F).....	1989	1998	--	226	1,453	205	228	1,656	1,884	
162										
2 Executive Drive (F).....	1988	2000	--	801	3,206	73	801	3,279	4,080	
61										
101 Executive Drive (F).....	1990	1998	807	241	2,262	208	244	2,467	2,711	
214										
102 Executive Drive (F).....	1990	1998	--	353	3,607	252	357	3,855	4,212	
351										
225 Executive Drive (F).....	1990	1998	1,391	323	2,477	100	326	2,574	2,900	
248										
97 Foster Road (F).....	1982	1998	--	208	1,382	54	211	1,433	1,644	
118										
1507 Lancer Drive (F).....	1995	1998	--	119	1,106	44	120	1,149	1,269	
94										
1510 Lancer Drive (F).....	1998	1998	--	732	2,928	41	735	2,966	3,701	
185										

</TABLE>

MACK-CALI REALTY CORPORATION
REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2000
(DOLLARS IN THOUSANDS)

SCHEDULE III

<TABLE>
<CAPTION>

INITIAL COSTS	COSTS CAPITALIZED	GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD (1)
-----	-----	-----

Drive (F).....	1989	1995	--	379	4,355	272	379	4,627	5,006
576									
500 Horizon									
Drive (F).....	1990	1995	--	379	3,395	135	379	3,530	3,909
516									
Zero Horizon									
Drive (L).....	n/a	1999	--	498	--	1,787	498	1,787	2,285
--									
PRINCETON									
103 Carnegie									
Center (O).....	1984	1996	--	2,566	7,868	687	2,566	8,555	11,121
1,212									
100 Overlook									
Center (O).....	1988	1997	--	2,378	21,754	388	2,378	22,142	24,520
1,740									
5 Vaughn									
Drive (O).....	1987	1995	--	657	9,800	449	657	10,249	10,906
1,511									
MIDDLESEX COUNTY,									
NEW JERSEY									
EAST BRUNSWICK									
377 Summerhill									
Road (O).....	1977	1997	--	649	2,594	252	649	2,846	3,495
213									
PLAINSBORO									
500 College									
Road East (O).....	1984	1998	--	614	20,626	293	614	20,919	21,533
1,456									
SOUTH BRUNSWICK									
3 Independence									
Way (O).....	1983	1997	--	1,997	11,391	222	1,997	11,613	13,610
995									
WOODBRIIDGE									
581 Main									
Street (O).....	1991	1997		17,500	3,237	12,949	19,613	8,115	27,684
1,757									35,799
MONMOUTH COUNTY,									
NEW JERSEY									
NEPTUNE									
3600 Route 66									
(O).....	1989	1995	--	1,098	18,146	41	1,098	18,187	19,285
2,356									
WALL TOWNSHIP									
1305 Campus									
Parkway (O).....	1988	1995	--	335	2,560	80	335	2,640	2,975
386									
1325 Campus									
Parkway (F).....	1988	1995	--	270	2,928	381	270	3,309	3,579
404									
1340 Campus									
Parkway (F).....	1992	1995	--	489	4,621	379	489	5,000	5,489
751									
1345 Campus									
Parkway (F).....	1995	1997	--	1,023	5,703	56	1,024	5,758	6,782
565									
1350 Campus									
Parkway (O).....	1990	1995	--	454	7,134	641	454	7,775	8,229
1,124									
1433 Highway									
34 (F).....	1985	1995	--	889	4,321	697	889	5,018	5,907
783									

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MACK-CALI REALTY CORPORATION
REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2000
(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

SCHEDULE III

WHICH OF	GROSS AMOUNT AT		
	INITIAL COSTS	COSTS CAPITALIZED	PERIOD (1)
-----	-----	-----	-----

ACCUMULATED PROPERTY LOCATION (2) TOTAL DEPRECIATION	YEAR		RELATED	BUILDING AND		SUBSEQUENT	BUILDING AND		
	BUILT	ACQUIRED	ENCUMBRANCES	LAND	IMPROVEMENTS	TO ACQUISITION	LAND	IMPROVEMENTS	
	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1320 Wyckoff Avenue (F)..... 1,541 166	1986	1995	--	255	1,285	1	255	1,286	
1324 Wyckoff Avenue (F)..... 1,865 267	1987	1995	--	230	1,439	196	230	1,635	
MORRIS COUNTY, NEW JERSEY									
FLORHAM PARK									
325 Columbia Parkway (O)..... 17,559 6,692	1987	1994	--	1,564	--	15,995	1,564	15,995	
MORRIS PLAINS									
250 Johnson Road (O)..... 10,333 621	1977	1997	2,169	2,004	8,016	313	2,004	8,329	
201 Littleton Road (O)..... 12,204 739	1979	1997	--	2,407	9,627	170	2,407	9,797	
MORRIS TOWNSHIP									
340 Mt. Kemble Avenue (O)..... 68,160 4,150	1985	1997	32,178	13,624	54,496	40	13,624	54,536	
PARSIPPANY									
7 Campus Drive (O)..... 29,827 2,011	1982	1998	--	1,932	27,788	107	1,932	27,895	
8 Campus Drive (O)..... 38,166 2,724	1987	1998	--	1,865	35,456	845	1,865	36,301	
2 Dryden Way (O)..... 1,211 40	1990	1998	--	778	420	13	778	433	
4 Gatehall Drive (O)..... 42,444 495	1988	2000	--	8,452	33,929	63	8,452	33,992	
2 Hilton Court (O)..... 34,116 2,356	1991	1998	--	1,971	32,007	138	1,971	32,145	
600 Parsippany Road (O)..... 7,904 1,095	1978	1994	--	1,257	5,594	1,053	1,257	6,647	
1 Sylvan Way (O)..... 28,612 2,299	1989	1998	--	1,689	24,699	2,224	1,689	26,923	
5 Sylvan Way (O)..... 27,021 1,836	1989	1998	--	1,160	25,214	647	1,160	25,861	
7 Sylvan Way (O)..... 28,202 1,922	1987	1998	--	2,084	26,083	35	2,084	26,118	
PASSAIC COUNTY, NEW JERSEY									
CLIFTON									
777 Passaic Avenue (O)..... 7,291 2,836	1983	1994	--	--	--	7,291	1,100	6,191	
TOTOWA									
1 Center Court (F)..... 2,184 104	1999	1999	--	270	1,824	90	270	1,914	
2 Center Court (F)..... 2,754 304	1998	1998	--	191	--	2,563	191	2,563	
11 Commerce Way (F)..... 3,802 434	1989	1995	--	586	2,986	230	586	3,216	
20 Commerce Way (F)..... 3,676 404	1992	1995	--	516	3,108	52	516	3,160	
29 Commerce Way (F)..... 3,908 544	1990	1995	--	586	3,092	230	586	3,322	
40 Commerce Way (F)..... 4,151 669	1987	1995	--	516	3,260	375	516	3,635	
45 Commerce Way (F)..... 4,057 542	1992	1995	--	536	3,379	142	536	3,521	
60 Commerce Way (F)..... 4,064 597	1988	1995	--	526	3,257	281	526	3,538	
80 Commerce Way (F)..... 1,865 437	1996	1996	--	227	--	1,638	227	1,638	
100 Commerce Way (F)..... 1,864 437	1996	1996	--	226	--	1,638	226	1,638	
120 Commerce Way (F)..... 1,428 161	1994	1995	--	228	--	1,201	228	1,200	
140 Commerce Way (F)..... 1,429 160	1994	1995	--	229	--	1,199	229	1,200	
999 Riverview Drive (O)..... 7,090 894	1988	1995	--	476	6,024	590	476	6,614	
WAYNE									
201 Willowbrook Boulevard (O). 18,467 969	1970	1997	9,460	3,103	12,410	2,954	3,103	15,364	
SOMERSET COUNTY, NEW JERSEY									
BASKING RIDGE									
106 Allen Road (O).....	2000	2000	--	3,853	14,465	--	3,853	14,465	

5 Westchester Plaza (F)..... 1,949 2,067	1969	1997	--	118	1,949	--	118
6 Westchester Plaza (F)..... 2,131 2,295	1968	1997	--	164	1,998	133	164
7 Westchester Plaza (F)..... 4,345 4,631	1972	1997	--	286	4,321	24	286
8 Westchester Plaza (F)..... 5,872 6,319	1971	1997	--	447	5,262	610	447
HAWTHORNE							
30 Saw Mill River Road (O).... 38,580 40,935	1982	1997	--	2,355	34,254	4,326	2,355
200 Saw Mill River Road (F)... 3,509 3,862	1965	1997	--	353	3,353	156	353
1 Skyline Drive (O)..... 1,811 1,877	1980	1997	--	66	1,711	100	66
2 Skyline Drive (O)..... 3,411 3,520	1987	1997	--	109	3,128	283	109
4 Skyline Drive (F)..... 7,963 8,326	1987	1997	--	363	7,513	450	363
7 Skyline Drive (O)..... 13,114 13,444	1987	1998	--	330	13,013	101	330
8 Skyline Drive (F)..... 5,224 5,436	1985	1997	--	212	4,410	814	212
10 Skyline Drive (F)..... 2,895 3,029	1985	1997	--	134	2,799	96	134
11 Skyline Drive (F)..... 5,128 5,128	1989	1997	--	--	4,788	340	--
12 Skyline Drive (F)..... 4,995 6,557	1999	1999	--	1,562	3,254	1,741	1,562
15 Skyline Drive (F)..... 8,086 8,086	1989	1997	--	--	7,449	637	--
17 Skyline Drive (O)..... 7,397 7,397	1989	1997	--	--	7,269	128	--
TARRYTOWN							
200 White Plains Road (O)..... 9,057 9,435	1982	1997	--	378	8,367	690	378
220 White Plains Road (O)..... 8,610 8,977	1984	1997	--	367	8,112	498	367
230 White Plains Road (R)..... 1,845 1,969	1984	1997	--	124	1,845	--	124
WHITE PLAINS							
1 Barker Avenue (O)..... 10,130 10,337	1975	1997	--	208	9,629	500	207
3 Barker Avenue (O)..... 8,430 8,552	1983	1997	--	122	7,864	566	122
50 Main Street (O)..... 51,259 51,823	1985	1997	--	564	48,105	3,154	564
11 Martine Avenue (O)..... 30,201 30,328	1987	1997	--	127	26,833	3,368	127
25 Martine Avenue (M)..... 11,683 11,803	1987	1997	--	120	11,366	317	120
1 Water Street (O)..... 5,652 5,863	1979	1997	--	211	5,382	270	211
YONKERS							
100 Corporate Boulevard (F)... 10,353 10,955	1987	1997	--	602	9,910	443	602
200 Corporate Boulevard South (F)..... 7,766 8,268	1990	1997	--	502	7,575	191	502
1 Enterprise Boulevard (L).... - 1,379	n/a	1997	--	1,379	--	--	1,379
1 Executive Boulevard (O)..... 12,582 13,687	1982	1997	--	1,104	11,904	679	1,105
2 Executive Plaza (R)..... 2,439 2,528	1986	1997	--	89	2,439	--	89
3 Executive Plaza (O)..... 6,576 6,961	1987	1997	--	385	6,256	320	385
4 Executive Plaza (F)..... 6,468 7,052	1986	1997	--	584	6,134	334	584
6 Executive Plaza (F)..... 7,291 7,837	1987	1997	--	546	7,246	45	546
1 Odell Plaza (F)..... 7,185 8,391	1980	1997	--	1,206	6,815	370	1,206
5 Odell Plaza (F)..... 3,022 3,353	1983	1997	--	331	2,988	34	331
7 Odell Plaza (F)..... 4,524 4,943	1984	1997	--	419	4,418	106	419
CHESTER COUNTY, PENNSYLVANIA							
BERWYN							
1000 Westlakes Drive (O)..... 9,129 9,748	1989	1997	--	619	9,016	113	619
1055 Westlakes Drive (O)..... 19,257 21,208	1990	1997	--	1,951	19,046	211	1,951
1205 Westlakes Drive (O).....	1988	1997	--	1,323	20,098	465	1,323

20,563	21,886							
1235 Westlakes Drive (O).....		1986	1997	--	1,417	21,215	589	1,418
21,803	23,221							

DELAWARE COUNTY, PENNSYLVANIA
LESTER

100 Stevens Drive (O).....		1986	1996	--	1,349	10,018	2,544	1,349
12,562	13,911							
200 Stevens Drive (O).....		1987	1996	--	1,644	20,186	4,260	1,644
24,446	26,090							
300 Stevens Drive (O).....		1992	1996	--	491	9,490	748	491
10,238	10,729							

MEDIA

1400 Providence Rd - Center I (O).....		1986	1996	--	1,042	9,054	832	1,042
9,886	10,928							
1400 Providence Rd. - Center II(O).....		1990	1996	--	1,543	16,464	1,029	1,544
17,492	19,036							

<CAPTION>

PROPERTY LOCATION (2)	ACCUMULATED DEPRECIATION
- -----	-----

<S>	<C>
5 Westchester Plaza (F).....	191
6 Westchester Plaza (F).....	225
7 Westchester Plaza (F).....	434
8 Westchester Plaza (F).....	729
HAWTHORNE	
30 Saw Mill River Road (O)....	5,214
200 Saw Mill River Road (F)...	362
1 Skyline Drive (O).....	172
2 Skyline Drive (O).....	367
4 Skyline Drive (F).....	1,015
7 Skyline Drive (O).....	761
8 Skyline Drive (F).....	600
10 Skyline Drive (F).....	308
11 Skyline Drive (F).....	526
12 Skyline Drive (F).....	238
15 Skyline Drive (F).....	951
17 Skyline Drive (O).....	720
TARRYTOWN	
200 White Plains Road (O).....	1,108
220 White Plains Road (O).....	878
230 White Plains Road (R).....	181
WHITE PLAINS	
1 Barker Avenue (O).....	1,012
3 Barker Avenue (O).....	871
50 Main Street (O).....	5,437
11 Martine Avenue (O).....	3,045
25 Martine Avenue (M).....	1,136
1 Water Street (O).....	565
YONKERS	
100 Corporate Boulevard (F)...	1,027
200 Corporate Boulevard South (F).....	701
1 Enterprise Boulevard (L)....	--
1 Executive Boulevard (O).....	1,382
2 Executive Plaza (R).....	239
3 Executive Plaza (O).....	649
4 Executive Plaza (F).....	706
6 Executive Plaza (F).....	719
1 Odell Plaza (F).....	713
5 Odell Plaza (F).....	294
7 Odell Plaza (F).....	488

CHESTER COUNTY, PENNSYLVANIA
BERWYN

1000 Westlakes Drive (O).....	887
1055 Westlakes Drive (O).....	1,867
1205 Westlakes Drive (O).....	2,068
1235 Westlakes Drive (O).....	2,138

DELAWARE COUNTY, PENNSYLVANIA
LESTER

100 Stevens Drive (O).....	1,116
200 Stevens Drive (O).....	2,168
300 Stevens Drive (O).....	970

MEDIA

1400 Providence Rd - Center I (O).....	1,202
1400 Providence Rd. - Center II(O).....	2,272

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MACK-CALI REALTY CORPORATION
 REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION
 DECEMBER 31, 2000
 (DOLLARS IN THOUSANDS)

SCHEDULE III

AMOUNT AT WHICH AT CLOSE OF PERIOD (1)			INITIAL COSTS		COSTS		GROSS CARRIED	
----- BUILDING AND PROPERTY LOCATION (2) IMPROVEMENTS TOTAL -----	YEAR	RELATED	BUILDING AND		SUBSEQUENT		LAND	
-----	BUILT	ACQUIRED	ENCUMBRANCES	LAND	IMPROVEMENTS	TO ACQUISITION	LAND	---
-----	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
MONTGOMERY COUNTY, PENNSYLVANIA								
LOWER PROVIDENCE								
1000 Madison Avenue (O).....	1990	1997	--	1,713	12,559	172	1,714	
12,730 14,444								
PLYMOUTH MEETING								
1150 Plymouth Meeting Mall (O)	1970	1997	--	125	499	20,757	125	
21,256 21,381								
Five Sentry Parkway East (O)..	1984	1996	--	642	7,992	475	642	
8,467 9,109								
Five Sentry Parkway West (O)..	1984	1996	--	268	3,334	53	268	
3,387 3,655								
FAIRFIELD COUNTY, CONNECTICUT								
GREENWICH								
500 West Putnam Avenue (O)....	1973	1998	10,069	3,300	16,734	936	3,300	
17,670 20,970								
NORWALK								
40 Richards Avenue (O).....	1985	1998	--	1,087	18,399	1,538	1,087	
19,937 21,024								
SHELTON								
1000 Bridgeport Avenue (O)....	1986	1997	--	773	14,934	337	744	
15,300 16,044								
STAMFORD								
419 West Avenue (F).....	1986	1997	--	4,538	9,246	49	4,538	
9,295 13,833								
500 West Avenue (F).....	1988	1997	--	415	1,679	180	415	
1,859 2,274								
550 West Avenue (F).....	1990	1997	--	1,975	3,856	322	1,975	
4,178 6,153								
600 West Avenue (F).....	1999	1999	--	2,305	2,863	795	2,305	
3,658 5,963								
650 West Avenue (F).....	1998	1998	--	1,328	--	3,891	1,328	
3,891 5,219								
WASHINGTON, D.C.								
1201 Connecticut Avenue, NW (O)	1940	1999	--	14,228	18,571	773	14,228	
19,344 33,572								
1400 L Street, NW (O).....	1987	1998	--	13,054	27,423	724	13,054	
28,147 41,201								
1709 New York Avenue, NW (O)..	1972	1998	--	19,898	29,686	2,829	19,898	
32,515 52,413								
PRINCE GEORGE'S COUNTY, MARYLAND								
LANHAM								
4200 Parliament Place (O).....	1989	1998	--	2,114	13,546	467	1,393	
14,734 16,127								
BEXAR COUNTY, TEXAS								
SAN ANTONIO								
200 Concord Plaza Drive (O)...	1986	1997	--	2,387	31,825	844	2,393	
32,663 35,056								
84 N.E. Loop 410 (O).....	1971	1997	--	2,295	10,382	505	2,295	
10,887 13,182								
1777 N.E. Loop 410 (O).....	1986	1997	--	3,119	12,477	1,101	3,119	

13,578	16,697							
111 Soledad (O).....		1918	1997	--	2,004	8,017	593	2,004
8,610	10,614							
COLLIN COUNTY, TEXAS								
PLANO								
555 Republic Place (O).....		1986	1997	--	942	3,767	197	942
3,964	4,906							
DALLAS COUNTY, TEXAS								
DALLAS								
3030 LBJ Freeway (O).....		1984	1997	--	6,098	24,366	1,353	6,098
25,719	31,817							
3100 Monticello (O).....		1984	1997	--	1,940	7,762	4,816	2,511
12,007	14,518							
8214 Westchester (O).....		1983	1997	--	1,705	6,819	350	1,705
7,169	8,874							
IRVING								
2300 Valley View (O).....		1985	1997	--	1,913	7,651	745	1,913
8,396	10,309							
RICHARDSON								
1122 Alma Road (O).....		1977	1997	--	754	3,015	169	754
3,184	3,938							
HARRIS COUNTY, TEXAS								
HOUSTON								
10497 Town & Country Way (O)..		1981	1997	--	1,619	6,476	918	1,619
7,394	9,013							

<CAPTION>

PROPERTY LOCATION (2)	ACCUMULATED DEPRECIATION
- - - - -	- - - - -
<S>	<C>
MONTGOMERY COUNTY, PENNSYLVANIA	
LOWER PROVIDENCE	
1000 Madison Avenue (O).....	1,065
PLYMOUTH MEETING	
1150 Plymouth Meeting Mall (O)	1,471
Five Sentry Parkway East (O)..	873
Five Sentry Parkway West (O)..	354
FAIRFIELD COUNTY, CONNECTICUT	
GREENWICH	
500 West Putnam Avenue (O)....	1,403
NORWALK	
40 Richards Avenue (O).....	1,204
SHELTON	
1000 Bridgeport Avenue (O)....	1,379
STAMFORD	
419 West Avenue (F).....	921
500 West Avenue (F).....	196
550 West Avenue (F).....	542
600 West Avenue (F).....	92
650 West Avenue (F).....	393
WASHINGTON, D.C.	
1201 Connecticut Avenue, NW (O)	658
1400 L Street, NW (O).....	1,878
1709 New York Avenue, NW (O)..	2,067
PRINCE GEORGE'S COUNTY, MARYLAND	
LANHAM	
4200 Parliament Place (O).....	913
BEXAR COUNTY, TEXAS	
SAN ANTONIO	
200 Concord Plaza Drive (O)...	2,284
84 N.E. Loop 410 (O).....	750
1777 N.E. Loop 410 (O).....	1,030
111 Soledad (O).....	633
COLLIN COUNTY, TEXAS	
PLANO	
555 Republic Place (O).....	339
DALLAS COUNTY, TEXAS	
DALLAS	
3030 LBJ Freeway (O).....	2,228
3100 Monticello (O).....	899
8214 Westchester (O).....	558
IRVING	
2300 Valley View (O).....	694
RICHARDSON	
1122 Alma Road (O).....	242

HARRIS COUNTY, TEXAS
 HOUSTON
 10497 Town & Country Way (O).. 549
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MACK-CALI REALTY CORPORATION
 REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION
 DECEMBER 31, 2000
 (DOLLARS IN THOUSANDS)

SCHEDULE III

<TABLE>
 <CAPTION>

AMOUNT AT WHICH CLOSE OF (1)	YEAR		RELATED ENCUMBRANCES	INITIAL COSTS		COSTS CAPITALIZED SUBSEQUENT TO ACQUISITION	GROSS CARRIED AT PERIOD BUILDING	
	BUILT	ACQUIRED		LAND	BUILDING AND IMPROVEMENTS		LAND	BUILDING
AND PROPERTY LOCATION (2) IMPROVEMENTS TOTAL								
	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
14511 Falling Creek (O)..... 2,079 2,513	1982	1997	--	434	1,738	341	434	
5225 Katy Freeway (O)..... 6,441 7,844	1983	1997	--	1,403	5,610	831	1,403	
5300 Memorial (O)..... 7,121 8,831	1982	1997	--	1,283	7,269	279	1,710	
1717 St. James Place (O)..... 3,982 4,891	1975	1997	--	909	3,636	346	909	
1770 St. James Place (O)..... 3,332 4,062	1973	1997	--	730	2,920	412	730	
TARRANT COUNTY, TEXAS								
EULESS								
150 West Park Way (O)..... 3,549 4,401	1984	1997	--	852	3,410	139	852	
MARICOPA COUNTY, ARIZONA								
GLENDALE								
5551 West Talavi Boulevard (O) 15,810 19,403	1991	1997	6,717	2,732	10,927	5,744	3,593	
PHOENIX								
19640 North 31st Street (O)... 13,751 17,188	1990	1997	7,112	3,437	13,747	4	3,437	
SCOTTSDALE								
9060 E. Via Linda Boulevard (O) 14,879 18,599	1984	1997	--	3,720	14,879	--	3,720	
ARAPAHOE COUNTY, COLORADO								
AURORA								
750 South Richfield Street (O) 23,150 25,832	1997	1998	--	2,680	23,125	27	2,682	
DENVER								
400 South Colorado Boulevard (O) 11,100 12,561	1983	1998	--	1,461	10,620	480	1,461	
ENGLEWOOD								
9359 East Nichols Avenue (O).. 7,727 8,882	1997	1998	--	1,155	8,171	(444)	1,155	
5350 South Roslyn Street (O).. 7,024 7,886	1982	1998	--	862	6,831	193	862	
BOULDER COUNTY, COLORADO								
BROOMFIELD								
105 South Technology Court (O) 4,950 5,603	1997	1998		653	4,936	14	653	
303 South Technology Court-A (O) 3,896 4,520	1997	1998	--	623	3,892	5	623	
303 South Technology Court-B (O) 3,897 4,519	1997	1998	--	623	3,892	4	623	

LOUISVILLE							
1172 Century Drive (O).....	1996	1998	--	707	4,647	101	707
4,748 5,455							
248 Centennial Parkway (O)....	1996	1998	--	708	4,647	102	708
4,749 5,457							
285 Century Place (O).....	1997	1998	--	889	10,133	23	891
10,154 11,045							

DENVER COUNTY, COLORADO

DENVER							
3600 South Yosemite (O).....	1974	1998	--	556	12,980	28	556
13,008 13,564							

DOUGLAS COUNTY, COLORADO

ENGLEWOOD							
67 Inverness Drive East (O)...	1996	1998	--	1,034	5,516	18	1,035
5,533 6,568							
384 Inverness Drive South (O) .	1985	1998	--	703	5,653	162	703
5,815 6,518							
400 Inverness Drive (O).....	1997	1998	--	1,584	19,878	(896)	1,584
18,982 20,566							
5975 South Quebec Street (O)..	1996	1998	--	855	11,551	146	857
11,695 12,552							
PARKER							
9777 Pyramid Court (O).....	1995	1998	--	1,304	13,189	26	1,306
13,213 14,519							

<CAPTION>

PROPERTY LOCATION (2)	ACCUMULATED DEPRECIATION
- - - - -	- - - - -
<S>	<C>
14511 Falling Creek (O).....	153
5225 Katy Freeway (O).....	524
5300 Memorial (O).....	494
1717 St. James Place (O).....	319
1770 St. James Place (O).....	276

TARRANT COUNTY, TEXAS

EULESS	
150 West Park Way (O).....	299

MARICOPA COUNTY, ARIZONA

GLENDALE	
5551 West Talavi Boulevard (O)	1,127
PHOENIX	
19640 North 31st Street (O)...	1,047
SCOTTSDALE	
9060 E. Via Linda Boulevard (O)	1,132

ARAPAHOE COUNTY, COLORADO

AURORA	
750 South Richfield Street (O)	1,601
DENVER	
400 South Colorado Boulevard (O)	764
ENGLEWOOD	
9359 East Nichols Avenue (O)..	551
5350 South Roslyn Street (O)..	532

BOULDER COUNTY, COLORADO

BROOMFIELD	
105 South Technology Court (O)	349
303 South Technology Court-A (O)	293
303 South Technology Court-B (O)	293
LOUISVILLE	
1172 Century Drive (O).....	356
248 Centennial Parkway (O)....	355
285 Century Place (O).....	684

DENVER COUNTY, COLORADO

DENVER	
3600 South Yosemite (O).....	876

DOUGLAS COUNTY, COLORADO

ENGLEWOOD	
67 Inverness Drive East (O)...	415
384 Inverness Drive South (O) .	428
400 Inverness Drive (O).....	1,323
5975 South Quebec Street (O)..	856
PARKER	
9777 Pyramid Court (O).....	980

</TABLE>

MACK-CALI REALTY CORPORATION
 REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION
 DECEMBER 31, 2000
 (DOLLARS IN THOUSANDS)

SCHEDULE III

<TABLE>
 <CAPTION>

AMOUNT AT WHICH CLOSE OF (1)			INITIAL COSTS	COSTS		GROSS CARRIED AT PERIOD
	YEAR	RELATED	BUILDING AND	SUBSEQUENT	BUILDING	
AND PROPERTY LOCATION (2) IMPROVEMENTS TOTAL	BUILT ACQUIRED	ENCUMBRANCES	LAND IMPROVEMENTS	TO ACQUISITION	LAND	
	<C>	<C>	<C>	<C>	<C>	<C>
EL PASO COUNTY, COLORADO						
COLORADO SPRINGS						
8415 Explorer (O).....	1998	1999	--	347	2,507	3,015
5,521 5,869						348
1975 Research Parkway (O).....	1997	1998	--	1,397	13,221	2,887
15,894 17,505						1,611
2375 Telstar Drive (O).....	1998	1999	--	348	2,507	3,014
5,521 5,869						348
JEFFERSON COUNTY, COLORADO						
LAKEWOOD						
141 Union Boulevard (O).....	1985	1998	--	774	6,891	558
7,448 8,223						775
SAN FRANCISCO COUNTY, CALIFORNIA						
SAN FRANCISCO						
795 Folsom Street (O).....	1977	1999	--	9,348	24,934	5,692
30,626 39,974						9,348
760 Market Street (O).....	1908	1997	--	5,588	22,352	38,717
53,158 66,657						13,499
HILLSBOROUGH COUNTY, FLORIDA						
TAMPA						
501 Kennedy Boulevard (O).....	1982	1997	--	3,959	15,837	1,516
17,353 21,312						3,959
POLK COUNTY, IOWA						
WEST DES MOINES						
2600 Westown Parkway (O).....	1988	1997	--	1,708	6,833	236
7,069 8,777						1,708
PROJECTS UNDER DEVELOPMENT....			--	73,637	--	83,475
83,475 157,112						73,637
FURNITURE, FIXTURES & EQUIPMENT			--	--	--	6,460
6,460 6,460						--

TOTALS				\$478,187	\$545,706 \$2,692,501	\$466,147
\$3,143,144 \$3,704,354						\$561,210
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PROPERTY LOCATION (2)	ACCUMULATED DEPRECIATION
<S>	<C>
EL PASO COUNTY, COLORADO	
COLORADO SPRINGS	
8415 Explorer (O).....	194
1975 Research Parkway (O).....	1,047
2375 Telstar Drive (O).....	194

JEFFERSON COUNTY, COLORADO	
LAKEWOOD	
141 Union Boulevard (O).....	590
SAN FRANCISCO COUNTY, CALIFORNIA	
SAN FRANCISCO	
795 Folsom Street (O).....	1,528
760 Market Street (O).....	3,654
HILLSBOROUGH COUNTY, FLORIDA	
TAMPA	
501 Kennedy Boulevard (O).....	1,312
POLK COUNTY, IOWA	
WEST DES MOINES	
2600 Westown Parkway (O).....	604
PROJECTS UNDER DEVELOPMENT....	--
FURNITURE, FIXTURES & EQUIPMENT	2,673

TOTALS \$309,951

</TABLE>

(1) The aggregate cost for federal income tax purposes at December 31, 2000 was approximately \$2.78 billion.

(2) LEGEND OF PROPERTY CODES:

(O)=Office Property (M)=Multi-family Residential Property
(F)=Office/Flex Property (R)=Stand-alone Retail Property
(I)=Industrial/Warehouse Property (L)=Land Lease

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MACK-CALI REALTY CORPORATION
NOTE TO SCHEDULE III

Changes in rental properties and accumulated depreciation for the periods ended December 31, 2000, 1999 and 1998 are as follows:

<TABLE>
<CAPTION>

	2000	1999	1998
	----	----	----
<S>	<C>	<C>	<C>
RENTAL PROPERTIES			
Balance at beginning of year	\$3,654,845	\$3,467,799	\$2,629,616
Additions	268,900	204,565	838,183
Retirements/Disposals	(219,391)	(17,519)	--
	-----	-----	-----
Balance at end of year	\$3,704,354	\$3,654,845	\$3,467,799
	=====	=====	=====
ACCUMULATED DEPRECIATION			
Balance at beginning of year	\$ 256,629	\$ 177,934	\$ 103,133
Depreciation expense	82,574	81,730	74,801
Retirements/Disposals	(29,252)	(3,035)	--
	-----	-----	-----
Balance at end of year	\$ 309,951	\$ 256,629	\$ 177,934
	=====	=====	=====

</TABLE>

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MACK-CALI REALTY CORPORATION

SIGNATURES

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

(Registrant)

Date: February 22, 2001

By: /s/ BARRY LEFKOWITZ

Barry Lefkowitz
Executive Vice President &
Chief Financial Officer

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

<TABLE> <CAPTION>	NAME ----	TITLE -----	DATE ----
<S>	/s/ WILLIAM L. MACK ----- William L. Mack	Chairman of the Board	February 22, 2001
<S>	/s/ MITCHELL E. HERSH ----- Mitchell E. Hersh	Chief Executive Officer and Director	February 22, 2001
<S>	/s/ BARRY LEFKOWITZ ----- Barry Lefkowitz	Executive Vice President and Chief Financial Officer	February 22, 2001
<S>	/s/ JOHN J. CALI ----- John J. Cali	Director	February 22, 2001
<S>	/s/ MARTIN S. BERGER ----- Martin S. Berger	Director	February 22, 2001
<S>	/s/ BRENDAN T. BYRNE ----- Brendan T. Byrne	Director	February 22, 2001
<S>	/s/ JOHN R. CALI ----- John R. Cali	Director	February 22, 2001
<S>	/s/ NATHAN GANTCHER ----- Nathan Gantcher	Director	February 22, 2001

</TABLE>

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<TABLE> <CAPTION>	NAME ----	TITLE -----	DATE ----
<S>	/s/ MARTIN D. GRUSS ----- Martin D. Gruss	Director	February 22, 2001
<S>	/s/ EARLE I. MACK ----- Earle I. Mack	Director	February 22, 2001
<S>	/s/ ALAN G. PHILIBOSIAN ----- Alan G. Philibosian	Director	February 22, 2001
<S>	/s/ IRVIN D. REID ----- Irvin D. Reid	Director	February 22, 2001
<S>	/s/ VINCENT TESE ----- Vincent Tese	Director	February 22, 2001
<S>	/s/ ROY J. ZUCKERBERG	Director	February 22, 2001

</TABLE>

MACK-CALI REALTY CORPORATION

EXHIBIT INDEX

<TABLE>
<CAPTION>

EXHIBIT
NUMBER EXHIBIT TITLE

<S> <C>

- 3.1 Restated Charter of Mack-Cali Realty Corporation dated June 2, 1999, together with Articles Supplementary thereto (filed as Exhibit 3.1 to the Company's Form 8-K dated June 10, 1999 and as Exhibit 4.2 to the Company's Form 8-K dated July 6, 1999 and each incorporated herein by reference).
- 3.2 Amended and Restated Bylaws of Mack-Cali Realty Corporation dated June 10, 1999 (filed as Exhibit 3.2 to the Company's Form 8-K dated June 10, 1999 and incorporated herein by reference).
- 3.3 Second Amended and Restated Agreement of Limited Partnership dated December 11, 1997, for Mack-Cali Realty, L.P. (filed as Exhibit 10.110 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).
- 3.4 Amendment No. 1 to the Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. (filed as Exhibit 3.1 to the Company's Registration Statement on Form S-3, Registration No. 333-57103, and incorporated herein by reference).
- 3.5 Second Amendment to the Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. (filed as Exhibit 10.2 to the Company's Form 8-K dated July 6, 1999 and incorporated herein by reference).
- 4.1 Amended and Restated Shareholder Rights Agreement, dated as of March 7, 2000, between Mack-Cali Realty Corporation and EquiServe Trust Company, N.A., as Rights Agent (filed as Exhibit 4.1 to the Company's Form 8-K dated March 7, 2000 and incorporated herein by reference).
- 4.2 Amendment No. 1 to the Amended and Restated Shareholder Rights Agreement, dated as of June 27, 2000, by and among Mack-Cali Realty Corporation and Equiserve Trust Company, N.A. (filed as Exhibit 4.1 to the Company's Form 8-K dated June 27, 2000).
- 4.3 Indenture dated as of March 16, 1999, by and among Mack-Cali Realty, L.P., as issuer, Mack-Cali Realty Corporation, as guarantor, and Wilmington Trust Company, as trustee (filed as Exhibit 4.1 to the Company's Form 8-K dated March 16, 1999 and incorporated herein by reference).
- 4.4 Supplemental Indenture No. 1 dated as of March 16, 1999, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated March 16, 1999 and incorporated herein by reference).

<CAPTION>

EXHIBIT
NUMBER EXHIBIT TITLE

<S> <C>

- 4.5 Supplemental Indenture No. 2 dated as of August 2, 1999, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.4 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
- 4.6 Supplemental Indenture No. 3 dated as of December 21, 2000, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K

dated December 21, 2000 and incorporated herein by reference).

- 4.7 Supplemental Indenture No. 4 dated as of January 29, 2001, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated January 29, 2001 and incorporated herein by reference).
- 10.1 Amended and Restated Employment Agreement dated as of July 1, 1999 between Mitchell E. Hersh and Mack-Cali Realty Corporation (filed as Exhibit 10.2 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
- 10.2 Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Timothy M. Jones and Mack-Cali Realty Corporation (filed as Exhibit 10.3 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
- 10.3 Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Barry Lefkowitz and Mack-Cali Realty Corporation (filed as Exhibit 10.6 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
- 10.4 Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Roger W. Thomas and Mack-Cali Realty Corporation (filed as Exhibit 10.7 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
- *10.5 Employment Agreement dated as of December 5, 2000 between Michael Grossman and Mack-Cali Realty Corporation.
- 10.6 Restricted Share Award Agreement dated as of July 1, 1999 between Mitchell E. Hersh and Mack-Cali Realty Corporation (filed as Exhibit 10.8 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
- 10.7 Restricted Share Award Agreement dated as of July 1, 1999 between Timothy M. Jones and Mack-Cali Realty Corporation (filed as Exhibit 10.9 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
- 10.8 Restricted Share Award Agreement dated as of July 1, 1999 between Barry Lefkowitz and Mack-Cali Realty Corporation (filed as Exhibit 10.12 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
- 10.9 Restricted Share Award Agreement dated as of July 1, 1999 between Roger W. Thomas and Mack-Cali Realty Corporation (filed as Exhibit 10.13 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).

<CAPTION>

EXHIBIT NUMBER	EXHIBIT TITLE
- - - - -	-----
<S>	<C>

- *10.10 Amendment No. 3 to and Restatement of Revolving Credit Agreement dated as of June 22, 2000, by and among Mack-Cali Realty, L.P. and The Chase Manhattan Bank, Fleet National Bank and Other Lenders Which May Become Parties Thereto with The Chase Manhattan Bank, as administrative agent, Fleet National Bank, as syndication agent, Bank of America, N.A., as documentation agent, Chase Securities Inc. and FleetBoston Robertson Stephens Inc., as arrangers, Bank One, N.A., First Union National Bank and Commerzbank Aktiengesellschaft, as senior managing agents, PNC Bank National Association, as managing agent, and Societe Generale, Dresdner Bank AG, Wells Fargo Bank, National Association, Bank Austria Creditanstalt Corporate Finance, Inc., Bayerische Hypo-und Vereinsbank and Summit Bank, as co-agents.
- 10.11 Contribution and Exchange Agreement among The MK Contributors, The MK Entities, The Patriot Contributors, The Patriot Entities, Patriot American Management and Leasing Corp., Cali Realty, L.P. and Cali Realty Corporation, dated September 18, 1997 (filed as Exhibit 10.98 to the Company's Form 8-K dated September 19, 1997 and incorporated herein by reference).
- 10.12 First Amendment to Contribution and Exchange Agreement, dated as of December 11, 1997, by and among the Company and the Mack Group (filed as Exhibit 10.99 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).

- 10.13 Termination and Release Agreement, dated September 21, 2000, by and among Mack-Cali Realty Corporation, Mack-Cali Realty, L.P., Prentiss Properties Trust and Prentiss Properties Acquisition Partners, L.P. (filed as Exhibit 10.1 to the Company's Form 8-K dated September 21, 2000 and incorporated herein by reference).
 - 10.14 2000 Employee Stock Option Plan (filed as Exhibit B to the Company's Proxy Statement for its Annual Meeting of Stockholders held on September 11, 2000 and incorporated herein by reference).
 - 10.15 2000 Director Stock Option Plan (filed as Exhibit C to the Company's Proxy Statement for its Annual Meeting of Stockholders held on September 11, 2000 and incorporated herein by reference).
 - *21 Subsidiaries of the Company.
 - *23 Consent of PricewaterhouseCoopers LLP, independent accountants.
- </TABLE>

- -----
*filed herewith

EMPLOYMENT AGREEMENT

FOR

MICHAEL GROSSMAN

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THIS EMPLOYMENT AGREEMENT (the "Agreement") is entered into as of December 5, 2000, by and between Michael Grossman, an individual residing at 105 Valley View Road, Chappaqua, New York 10514 ("Executive"), and Mack-Cali Realty Corporation, a Maryland corporation with offices at 11 Commerce Drive, Cranford, New Jersey 07016 (the "Company").

RECITALS

WHEREAS, Executive has been promoted to Executive Vice President as of December 5, 2000; and

WHEREAS, the Company desires to continue to employ Executive in his new capacity of Executive Vice President, and Executive desires to continue to be employed by the Company in his new capacity, pursuant to the terms set forth herein

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, the parties hereby agree as follows:

1. EMPLOYMENT.

The Company hereby agrees to employ Executive, and Executive hereby agrees to accept such employment during the period and upon the terms and conditions set forth in this Agreement.

2. EMPLOYMENT PERIOD.

(a) Except as otherwise provided in this Agreement to the contrary, the terms and conditions of this Agreement shall be and remain in effect during the period of employment (the "Employment Period") established under this Paragraph 2. The initial Employment Period shall be for a term commencing on the date of this

Agreement and ending on the third (3rd) anniversary of the date of this Agreement provided, however, that commencing on January 1, 2003 and on each day thereafter, the Employment Period shall be extended automatically for one additional day so that a constant one (1) year Employment Period shall be in effect unless the Company or Executive elects not to extend the term of this Agreement by giving written notice to the other party, in which case, the term of this Agreement shall become fixed. Any extension of this Agreement shall not create an obligation of the Company to issue new awards to Executive hereunder.

(b) Notwithstanding anything contained herein to the contrary: (i) Executive's employment with the Company may be terminated by the Company or Executive during the Employment Period, subject to the terms and conditions of this Agreement; and (ii) nothing in this Agreement shall mandate or prohibit a continuation of Executive's employment following the expiration of the Employment Period upon such terms and conditions as the Board of Directors of the Company (the "Board") and Executive may mutually agree.

(c) If Executive's employment with the Company is terminated, for purposes of this Agreement the term "Unexpired Employment Period" shall mean the period commencing on the date of such termination and ending on the last day of the Employment Period.

3. SERVICES / PLACE OF EMPLOYMENT.

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SERVICES. During the Employment Period, Executive shall hold the position of Executive Vice President of the Company. Executive shall devote his best efforts and substantially all of his business time, skill and attention to the business of the Company (other than absences due to vacation, illness, disability or approved leave of absence), and shall perform such duties as are customarily performed by similar executive officers and as may be more specifically enumerated from time to time by the Chief Executive Officer; PROVIDED, HOWEVER, that the foregoing is not intended to preclude Executive from (i) owning and managing personal investments, including real estate investments, subject to the restrictions set forth in Paragraph 13 hereof or (ii) engaging in charitable activities and community affairs, provided that the performance of the activities referred to in clauses (i) and (ii) does not prevent Executive from devoting substantially all of his business time to the Company.

4. COMPENSATION AND BENEFITS.

(a) SALARY. During the Employment Period, the Company shall pay Executive a minimum annual base salary in the amount of \$315,000 (the "Annual Base Salary") payable in accordance with the Company's regular payroll practices. Executive's Annual Base Salary shall be reviewed annually in accordance with the policy of the Company from time to time and may be subject to upward adjustment based upon, among other things, Executive's performance, as determined in the sole discretion of the Chief Executive Officer. In no event shall Executive's Annual Base Salary in effect at a particular time be reduced without his prior written consent.

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(b) INCENTIVE COMPENSATION/BONUSES. In addition, Executive shall be eligible for incentive compensation payable each year in such amounts as may be determined by the Option and Executive Compensation Committee of the Board (the "Compensation Committee"). Executive shall be entitled to receive such bonuses, restricted share awards and options to purchase shares of common stock, par value \$0.01 per share, of the Company (the "Common Stock") as the Board or the Compensation Committee as the case may be shall approve, in its sole discretion, including, without limitation, options, restricted share awards and bonuses contingent upon Executive's performance and the achievement of specified financial and operating objectives.

(c) RESTRICTED SHARE AWARD/TAX GROSS-UP PAYMENT. Pursuant to the Employee Stock Option Plan of Mack-Cali Realty Corporation which was originally effective August 31, 1994 and amended and restated as of December 1, 1998 (the "SOP"), Executive has been awarded a restricted share award in 1999 of 4,000 shares of Common Stock and a restricted share award of 18,519 shares of Common Stock ("Restricted Shares") as of December 5, 2000 (the "Restricted Share Awards"). Commencing with vesting that will occur in calendar year 2002, Executive shall be entitled to receive a tax gross-up payment (the "Tax Gross-Up Payment") from the Company with respect to each tax year in which Restricted Shares granted pursuant to the Restricted Share Awards vest and are distributed to him. Each Tax Gross-Up Payment shall be a dollar amount equal to forty-three (43%) percent of the fair market value of the Restricted Shares at time of vesting, exclusive of dividends. In the event vesting occurs with respect to any Restricted Shares as a result of the achievement of

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the required performance goals, such payment shall be made as soon as practicable after a determination that the performance goals have been achieved but in no event later than the 90th day of the fiscal year of the Company immediately following the fiscal year as to which the performance goals were achieved. In the event vesting occurs for any other reason, including, without limitation, termination of Executive's employment by the Company without Cause or by Executive for Good Reason (but excluding a termination by the Company for Cause or a voluntary quit without Good Reason by Executive), such payment shall be made as soon as practicable after the date of vesting but in no event later than the tenth (10th) business day following such vesting.

(d) TAXES AND WITHHOLDING. The Company shall have the right to deduct and withhold from all compensation all social security and other federal, state and local taxes and charges which currently are or which hereafter may be required by law to be so deducted and withheld.

(e) ADDITIONAL BENEFITS. In addition to the compensation specified above and other benefits provided pursuant to this Paragraph 4, Executive shall be entitled to the following benefits:

- (i) participation in the SOP, the Mack-Cali Realty Corporation 401(k) Savings and Retirement Plan (subject to statutory rules and maximum contributions and non-discrimination requirements applicable to 401(k) plans) and such other benefit plans and programs, including but not limited to restricted stock, phantom stock and/or unit awards, loan programs and any other incentive compensation plans or programs (whether or not employee benefit plans or programs), as maintained by the Company from time to time and made generally available to executives of the Company with such participation to be consistent with reasonable Company guidelines;

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- (ii) participation in any health insurance, disability insurance, paid vacation, group life insurance or other welfare benefit program made generally available to executives of the Company; and
- (iii) reimbursement for reasonable business expenses incurred by Executive in furtherance of the interests of the Company including a monthly allowance of one thousand (\$1,000) dollars which is intended to cover the cost of local business-related travel expenses exclusive of amounts paid to third-parties (E.G. taxi service).

5. TERMINATION OF EMPLOYMENT AND CHANGE IN CONTROL.

(a) Executive's employment hereunder may be terminated during the Employment Period under the following circumstances:

- (i) CAUSE. The Company shall have the right to terminate Executive's employment for Cause upon Executive's: (A) willful and continued failure to use best efforts to substantially perform his duties hereunder (other than any such failure resulting from Executive's incapacity due to physical or mental illness) for a period of thirty (30) days after written demand for substantial performance is delivered by the Company specifically identifying the manner in which the Company believes Executive has not substantially performed his duties; (B) willful misconduct and/or willful violation of Paragraph 11 hereof, which is materially economically injurious to the Company and the partnership taken as a whole; (C) the willful violation of the provisions of Paragraph 13 hereof; or (D) conviction of, or plea of guilty to a felony. For purposes of this sub-paragraph 5(a), no act, or failure to act, on Executive's part shall be considered "willful" unless done, or omitted to be done, by him (I) not in good faith and (II) without reasonable belief that his action or omission was in furtherance of the interests of the Company.
- (ii) DEATH. Executive's employment hereunder shall terminate upon his death.
- (iii) DISABILITY. The Company shall have the right to terminate Executive's employment due to "Disability" in the event that there is a determination by the Company, upon the advice of an independent qualified physician, reasonably acceptable to Executive, that Executive has become physically or mentally incapable of performing his duties under this Agreement and such

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disability has disabled Executive for a cumulative period of one hundred eighty (180) days within a twelve (12) month period.

- (iv) GOOD REASON. Executive shall have the right to terminate his employment for "Good Reason": (A) upon the occurrence of any material breach of this Agreement by the Company which shall include but not be limited to; an assignment to Executive of duties materially and adversely inconsistent with Executive's status as Executive Vice President, or a material adverse alteration in the nature of a diminution in Executive's duties and/or responsibilities, reporting obligations, titles or authority; (B) upon a reduction in Executive's Annual Base Salary or a material reduction in other benefits (except for bonuses or similar discretionary payments) as in effect at the time in question, a failure to pay such amounts when due or any other failure by the Company to comply with Paragraph 4 hereof; or (C) upon any purported termination of Executive's employment for Cause which is not effected pursuant to the procedures of sub-paragraph 5(a)(i) (and for purposes of this Agreement, in the event of such failure to comply, no such purported termination shall be effective).
- (v) WITHOUT CAUSE. The Company shall have the right to terminate the Executive's employment hereunder without Cause subject

to the terms and conditions of this Agreement.

- (vi) WITHOUT GOOD REASON. The Executive shall have the right to terminate his employment hereunder without Good Reason subject to the terms and conditions of this Agreement.
- (vii) CHANGE IN CONTROL. For purposes of this Agreement "Change in Control" shall mean that any of the following events has occurred: (A) any "person" or "group" of persons, as such terms are used in Sections 13 and 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), other than any employee benefit plan sponsored by the Company, becomes the "beneficial owner", as such term is used in Section 13 of the Exchange Act, (irrespective of any vesting or waiting periods) of (I) Common Stock or any class of stock convertible into Common Stock and/or (II) Common OP Units or preferred units or any other class of units convertible into Common OP Units, in an amount equal to twenty (20%) percent or more of the sum total of the Common Stock and the Common OP Units (treating all classes of outstanding stock, units or other securities convertible into stock units as if they were converted into Common Stock or Common OP Units as the case may be and then treating Common Stock and Common OP Units

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as if they were a single class) issued and outstanding immediately prior to such acquisition as if they were a single class and disregarding any equity raise in connection with the financing of such transaction; (B) any Common Stock is purchased pursuant to a tender or exchange offer other than an offer by the Company; (C) the dissolution or liquidation of the Company or the consummation of any merger or consolidation of the Company or any sale or other disposition of all or substantially all of its assets, if the shareholders of the Company and unitholders of the partnership taken as a whole and considered as one class immediately before such transaction own, immediately after consummation of such transaction, equity securities and partnership units possessing less than fifty (50%) percent of the surviving or acquiring company and partnership taken as a whole; or (D) a turnover, during any two (2) year period, of the majority of the members of the Board, without the consent of the remaining members of the Board as to the appointment of the new Board members.

(b) NOTICE OF TERMINATION. Any termination of Executive's employment by the Company or any such termination by Executive (other than on account of death) shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated. In the event of the termination of Executive's employment on account of death, written Notice of Termination shall be deemed to have been provided on the date of death.

6. COMPENSATION UPON TERMINATION OF EMPLOYMENT BY THE COMPANY FOR CAUSE OR BY EXECUTIVE WITHOUT GOOD REASON.

In the event the Company terminates Executive's employment for Cause or Executive terminates his employment without Good Reason, the Company shall pay

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Executive any unpaid Annual Base Salary at the rate then in effect accrued through and including the date of termination. In addition, in such event, Executive shall be entitled (i) to receive any earned but unpaid incentive

compensation or bonuses and (ii) to exercise any options which have vested and are exercisable in accordance with the terms of the applicable option grant agreement or plan, and (iii) to retain and/or receive any Restricted Shares which have vested as of the last day of the Company's fiscal year coincident or immediately preceding Executive's termination of employment and the corresponding Tax Gross-Up Payment (irrespective of whether the determination is made after Executive's termination of employment).

Except for any rights which Executive may have to unpaid salary amounts through and including the date of termination, earned but unpaid incentive compensation or bonuses, vested options, vested Restricted Shares and the corresponding Tax Gross-Up Payment, the Company shall have no further obligations hereunder following such termination. The aforesaid amounts shall be payable in full immediately upon such termination.

7. COMPENSATION UPON TERMINATION OF EMPLOYMENT UPON DEATH OR DISABILITY.

In the event of termination of Executive's employment as a result of either Executive's death or Disability, the Company shall pay to Executive, his estate or his personal representative the aggregate of (i) a cash payment of one million dollars (\$1,000,000) in full immediately upon such termination (the "Fixed Amount") and (ii) reimbursement of expenses incurred prior to date of termination ("Expense Reimbursement"). Executive (and Executive's dependents) shall also receive

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continuation of health coverage through the end of the Unexpired Employment Period on the same basis as health coverage is provided by the Company for active employees and as may be amended from time to time ("Medical Continuation").

In addition, all (A) incentive compensation payments or programs of any nature whether stock based or otherwise that are subject to a vesting schedule including, without limitation, the Restricted Share Awards or any other restricted stock, phantom stock, units and any loan forgiveness arrangements granted to Executive ("Incentive Compensation") shall immediately vest as of the date of such termination ("Vested Incentive Compensation"), (B) options granted to Executive shall immediately vest as of the date of such termination (the "Vested Options") and Executive shall be entitled at the option of Executive, his estate or his personal representative, within one (1) year of the date of such termination, to exercise the Vested Options and/or other options which have vested (including, without limitation, all other options which have previously vested in accordance with any applicable option grant agreement or plan) (the "Total Vested Options") and are exercisable in accordance with the terms of

the applicable option grant agreement or plan and/or any other methods or procedures for exercise applicable to optionees or to require the Company (upon written notice delivered within one hundred eighty (180) days following the date of Executive's termination) to repurchase all or any portion of Executive's vested options to purchase shares of Common Stock at a price equal to the difference between the Repurchase Fair Market Value (as hereinafter defined) of the shares of Common Stock for which the options to be repurchased are exercisable and the exercise price of such options as of the date of Executive's termination of employment (the "Vested Option Exercise Election"), and (C)

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the Tax Gross-Up Payment(s) applicable to the Restricted Share Awards shall vest and be paid to Executive at such time as provided in sub-paragraph 4(c) above (the "Vested Tax Gross-Up Payments"). In the event of a conflict between any Incentive Compensation grant agreement or program or any option grant agreement or plan and this Agreement, the terms of this Agreement shall control.

Except for any rights which Executive or Executive's estate in the event of Executive's death may have to all of the above including the Fixed Amount, Vested Incentive Compensation, Total Vested Options and the Vested Option Exercise Election, the Vested Tax Gross-Up Payment, Expense Reimbursement and Medical Continuation (which, in the event of Executive's death, shall be provided to Executive's dependents), the Company shall have no further obligations hereunder following such termination.

For purposes of this Agreement, "Repurchase Fair Market Value" shall mean the average of the closing price on the New York Stock Exchange (or such other exchange on which the Common Stock is primarily traded) of the Common Stock on each of the trading days within the thirty (30) days immediately preceding the date of termination of Executive's employment.

8. COMPENSATION UPON TERMINATION OF EMPLOYMENT BY THE COMPANY WITHOUT CAUSE OR BY EXECUTIVE FOR GOOD REASON.

In the event the Company terminates Executive's employment for any reason other than Cause or Executive terminates his employment for Good Reason, the Company shall pay to Executive and Executive shall be entitled to receive the aggregate of (i) the Fixed Amount and (ii) Vested Incentive Compensation, Total Vested

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Options and the Vested Option Exercise Election, the Vested Tax Gross-Up Payment, Expense Reimbursement and Medical Continuation. In the event of a conflict between any Incentive Compensation grant agreement or program or any option grant agreement or plan and this Agreement, the terms of this

Agreement shall control. Executive understands that any options exercised more than ninety (90) days following the date of his termination of employment which were granted as incentive stock options shall automatically be converted into non-qualified options.

Except for any rights which Executive may have to the Fixed Amount, Vested Incentive Compensation, Total Vested Options and the Vested Option Exercise Election, the Vested Tax Gross-Up Payment, Expense Reimbursement and Medical Continuation, the Company shall have no further obligations hereunder following such termination. The parties both agree that the agreement to make these payments was consideration and an inducement to obtain Executive's consent to enter into this Agreement. The payments are not a penalty and neither party will claim them to be a penalty. Rather, the payments represent a fair approximation of reasonable amounts due to Executive for the Employment Period.

9. CHANGE IN CONTROL.

(a) OPTIONS. Any Incentive Compensation and options granted to Executive that have not vested as of the date of a Change in Control shall immediately vest upon the date of the Change in Control. Neither the occurrence of a Change in Control, nor the vesting in any options as a result thereof shall require Executive to exercise any options. In the event of a conflict between any Incentive Compensation

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grant agreement or program or any option grant agreement or plan and this Agreement, the terms of this Agreement shall control.

(b) EXCISE TAX GROSS UP. If it is determined by an independent accountant mutually acceptable to the Company and Executive that as a result of any payment in the nature of compensation made by the Company to (or for the benefit of) Executive pursuant to this Agreement or otherwise, an excise tax may be imposed on Executive pursuant to Section 4999 of the Code (or any successor provisions), the Company shall pay Executive in cash an amount equal to X determined under the following formula: (the "Excise Tax Gross Up"):

$$X = \frac{E \times P}{1 - [(FI \times (1 - SLI)) + SLI + E + M]}$$

where

- E = the rate at which the excise tax is assessed under Section 4999 of the Code (or any successor provisions);
- P = the amount with respect to which such excise tax is assessed, determined without regard to the Excise Tax Gross Up;
- FI = the highest effective marginal rate of income tax applicable to Executive under the Code for the taxable year in question

(taking into account any phase-out or loss of deductions, personal exemptions or other similar adjustments);

SLI = the sum of the highest effective marginal rates of income tax applicable to Executive under all applicable state and local laws for the taxable year in question (taking into account any phase-out or loss of deductions, personal exemptions and other similar adjustments); and

M = the highest marginal rate of Medicare tax applicable to Executive under the Code for the taxable year in question.

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With respect to any payment in the nature of compensation that is made to (or for the benefit of) Executive under the terms of this Agreement or otherwise and on which an excise tax under Section 4999 of the Code (or any successor provisions) may be assessed, the payment determined under this sub-paragraph 9(c) shall be paid to Executive at the time of the Change in Control but prior to the consummation of the transaction with any successor. It is the intention of the parties that the Company provide Executive with a full tax gross-up under the provisions of this sub-paragraph, so that on a net after-tax basis, the result to Executive shall be the same as if the excise tax under Section 4999 of the Code (or any successor provisions) had not been imposed. The Excise Tax Gross Up may be adjusted if alternative minimum tax rules are applicable to Executive.

10. MITIGATION / EFFECT ON EMPLOYEE BENEFIT PLANS AND PROGRAMS.

(a) MITIGATION. Executive shall not be required to mitigate amounts payable under this Agreement by seeking other employment or otherwise, and there shall be no offset against amounts due Executive under this Agreement on account of subsequent employment. Amounts owed to Executive under this Agreement shall not be offset by any claims the Company may have against Executive and such payment shall not be affected by any other circumstances, including, without limitation, any counterclaim, recoupment, defense, or other right which the Company may have against Executive or others.

(b) EFFECT ON EMPLOYEE BENEFIT PROGRAMS. The termination of Executive's employment hereunder, whether by the Company or Executive, shall have

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no effect on the rights and obligations of the parties hereto under the Company's (i) welfare benefit plans including, without limitation, Medical Continuation as provided for herein and, health coverage thereafter but only to the extent required by law, and on the same basis applicable to other employees and (ii) 401(k) Plan but only to the extent required by law and

pursuant to the terms of the 401(k) Plan.

11. CONFIDENTIAL INFORMATION.

(a) Executive understands and acknowledges that during his employment with the Company, he will be exposed to Confidential Information (as defined below), all of which is proprietary and which will rightfully belong to the Company. Executive shall hold in a fiduciary capacity for the benefit of the Company such Confidential Information obtained by Executive during his employment with the Company and shall not, directly or indirectly, at any time, either during or after his employment with the Company, without the Company's prior written consent, use any of such Confidential Information or disclose any of such Confidential Information to any individual or entity other than the Company or its employees, attorneys, accountants, financial advisors, consultants, or investment bankers except as required in the performance of his duties for the Company or as otherwise required by law. Executive shall take all reasonable steps to safeguard such Confidential Information and to protect such Confidential Information against disclosure, misuse, loss or theft.

(b) The term "Confidential Information" shall mean any information not generally known in the relevant trade or industry or otherwise not generally available to the public, which was obtained from the Company or its predecessors or which

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was learned, discovered, developed, conceived, originated or prepared during or as a result of the performance of any services by Executive on behalf of the Company or its predecessors. For purposes of this Paragraph 11, the Company shall be deemed to include any entity which is controlled, directly or indirectly, by the Company and any entity of which a majority of the economic interest is owned, directly or indirectly, by the Company.

12. RETURN OF DOCUMENTS.

Except for such items which are of a personal nature to Executive (E.G., daily business planner), all writings, records, and other documents and things containing any Confidential Information shall be the exclusive property of the Company, shall not be copied, summarized, extracted from, or removed from the premises of the Company, except in pursuit of the business of the Company and at the direction of the Company, and shall be delivered to the Company, without retaining any copies, upon the termination of Executive's employment or at any time as requested by the Company.

13. NONCOMPETE.

Executive agrees that:

(a) During the Employment Period and, in the event (i) the Company terminates Executive's employment for Cause, or (ii) Executive

terminates his employment without Good Reason, for a one (1) year period thereafter, Executive shall not, directly or indirectly, within the continental United States, engage in, or own, invest in, manage or control any venture or enterprise primarily engaged in any office-service,

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flex, or office property development, acquisition or management activities without regard to whether or not such activities compete with the Company. Nothing herein shall prohibit Executive from being a passive owner of not more than five percent (5%) of the outstanding stock of any class of securities of a corporation or other entity engaged in such business which is publicly traded, so long as he has no active participation in the business of such corporation or other entity.

(b) If, at the time of enforcement of this Paragraph 13, a court shall hold that the duration, scope, area or other restrictions stated herein are unreasonable, the parties agree that reasonable maximum duration, scope, area or other restrictions may be substituted by such court for the stated duration, scope, area or other restrictions and upon substitution by such court, this Agreement shall be automatically modified without further action by the parties hereto.

(c) For purposes of this Paragraph 13, the Company shall be deemed to include any entity which is controlled, directly or indirectly, by the Company and any entity of which a majority of the economic interest is owned, directly or indirectly, by the Company.

14. REMEDIES.

The parties hereto agree that the Company would suffer irreparable harm from a breach by Executive of any of the covenants or agreements contained in Paragraphs 11, 12 or 13 of this Agreement. Therefore, in the event of the actual or threatened breach by Executive of any of the provisions of Paragraphs 11, 12 or 13 of this Agreement, the Company may, in addition and supplementary to other rights and

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remedies existing in its favor, apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce or prevent any violation of the provisions thereof.

15. INDEMNIFICATION/LEGAL FEES.

(a) INDEMNIFICATION. In the event the Executive is made party or threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of Executive's employment with or serving as an officer or director of the Company, whether or not the basis of such Proceeding is alleged action in an official capacity, the Company shall indemnify, hold harmless and defend Executive to the fullest extent authorized by Maryland law, as the same exists and may hereafter be amended, against any and all claims, demands, suits, judgments, assessments and settlements including all expenses incurred or suffered by Executive in connection therewith (including, without

limitation, all legal fees incurred using counsel reasonably acceptable to Executive) and such indemnification shall continue as to Executive even after Executive is no longer employed by the Company and shall inure to the benefit of his heirs, executors, and administrators. Expenses incurred by Executive in connection with any Proceeding shall be paid by the Company in advance upon request of Executive that the Company pay such expenses; but, only in the event that Executive shall have delivered in writing to the Company an undertaking to reimburse the Company for expenses with respect to which Executive is not entitled to indemnification. The provisions of this Paragraph shall remain in effect after this Agreement is terminated irrespective of the reasons for

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termination. The indemnification provisions of this Paragraph shall not supersede or reduce any indemnification provided to Executive under any separate agreement, or the by-laws of the Company since it is intended that this Agreement shall expand and extend the Executive's rights to receive indemnity.

(b) LEGAL FEES. If any contest or dispute shall arise between the Company and Executive regarding or as a result of any provision of this Agreement, the Company shall reimburse Executive for all legal fees and expenses reasonably incurred by Executive in connection with such contest or dispute, but only if Executive is successful in respect of substantially all of Executive's claims pursued or defended in connection with such contest or dispute. Such reimbursement shall be made as soon as practicable following the resolution of such contest or dispute (whether or not appealed).

16. SUCCESSORS AND ASSIGNS.

(a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to Executive, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such agreement prior to the effectiveness of an such succession shall be a breach of this Agreement and shall entitle Executive to compensation from the Company in the same amount and on the same terms as he would be entitled to hereunder if Executive

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terminated his employment hereunder for Good Reason except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the date of termination. In the event of such a breach of this Agreement, the Notice of Termination shall specify such date as the date of termination. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to all or substantially all of its business and/or its assets as aforesaid which executes and delivers the agreement provided for in this Paragraph 16 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law. Any cash payments owed to Executive pursuant to this Paragraph 16 shall be paid to Executive in a single sum without discount for early payment immediately prior to the consummation of the transaction with such successor.

(b) This Agreement and all rights of Executive hereunder may be transferred only by will or the laws of descent and distribution. Upon Executive's death, this Agreement and all rights of Executive hereunder shall inure to the benefit of and be enforceable by Executive's beneficiary or beneficiaries, personal or legal representatives, or estate, to the extent any such person succeeds to Executive's interests under this Agreement. Executive shall be entitled to select and change a beneficiary or beneficiaries to receive any benefit or compensation payable hereunder following Executive's death by giving the Company written notice thereof. If Executive should die following the date of termination while any amounts would still be payable to him hereunder if he had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to such person or

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persons so appointed in writing by Executive, including, without limitation, under any applicable plan, or otherwise to his legal representatives or estate.

17. TIMING OF AND NO DUPLICATION OF PAYMENTS.

All payments payable to Executive pursuant to this Agreement shall

be paid as soon as practicable after such amounts have become fully vested and determinable. In addition, Executive shall not be entitled to receive duplicate payments under any of the provisions of this Agreement.

18. MODIFICATION OR WAIVER.

No amendment, modification, waiver, termination or cancellation of this Agreement shall be binding or effective for any purpose unless it is made in a writing signed by the party against whom enforcement of such amendment, modification, waiver, termination or cancellation is sought. No course of dealing between or among the parties to this Agreement shall be deemed to affect or to modify, amend or discharge any provision or term of this Agreement. No delay on the part of the Company or Executive in the exercise of any of their respective rights or remedies shall operate as a waiver thereof, and no single or partial exercise by the Company or Executive of any such right or remedy shall preclude other or further exercise thereof. A waiver of right or remedy on any one occasion shall not be construed as a bar to or waiver of any such right or remedy on any other occasion.

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The respective rights and obligations of the parties hereunder shall survive the Executive's termination of employment and termination of this Agreement to the extent necessary for the intended preservation of such rights and obligations.

19. NOTICES.

All notices or other communications required or permitted hereunder shall be made in writing and shall be deemed to have been duly given if delivered by hand or delivered by a recognized delivery service or mailed, postage prepaid, by express, certified or registered mail, return receipt requested, and addressed to the Chief Executive Officer of the Company or Executive, as applicable, at the address set forth above (or to such other address as shall have been previously provided in accordance with this Paragraph 19).

20. GOVERNING LAW.

This agreement will be governed by and construed in accordance with the laws of the State of New Jersey except as to Paragraph 15(a), without regard to principles of conflicts of laws thereunder.

21. SEVERABILITY.

Whenever possible, each provision and term of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision or term of this Agreement shall be held to be prohibited by or invalid under

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such applicable law, then, subject to the provisions of Paragraph 13(b) above, such provision or term shall be ineffective only to the extent of such prohibition or invalidity, without invalidating or affecting in any manner whatsoever the remainder of such provisions or term or the remaining provisions or terms of this Agreement.

22. LEGAL REPRESENTATION.

Each of the Company and Executive have been represented by counsel with respect to this Agreement.

23. COUNTERPARTS.

This Agreement may be executed in separate counterparts, each of which is deemed to be an original and both of which taken together shall constitute one and the same agreement.

24. HEADINGS.

The headings of the Paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute a part hereof and shall not affect the construction or interpretation of this Agreement.

25. ENTIRE AGREEMENT.

This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all other prior agreements and undertakings, both written and oral, among the parties with respect to the subject matter hereof.

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26. SURVIVAL OF AGREEMENTS.

The covenants made in Paragraphs 5 through 15 and 21 each shall survive the termination of this Agreement.

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IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

MACK-CALI REALTY CORPORATION

By: /s/ Mitchell E. Hersh

Mitchell E. Hersh
Chief Executive Officer

/s/ Michael Grossman

Michael Grossman

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AMENDMENT NO. 3 TO AND RESTATEMENT OF
REVOLVING CREDIT AGREEMENT

among

MACK-CALI REALTY, L.P.
and
THE CHASE MANHATTAN BANK,
FLEET NATIONAL BANK
and
OTHER LENDERS WHICH MAY BECOME
PARTIES TO THIS AGREEMENT

with

THE CHASE MANHATTAN BANK,
AS ADMINISTRATIVE AGENT,

FLEET NATIONAL BANK,
AS SYNDICATION AGENT,

BANK OF AMERICA, N.A.,
AS DOCUMENTATION AGENT

CHASE SECURITIES INC.
and FLEETBOSTON ROBERTSON STEPHENS INC.
AS ARRANGERS,

BANK ONE, NA,
FIRST UNION NATIONAL BANK, and
COMMERZBANK AKTIENGESELLSCHAFT
AS SENIOR MANAGING AGENTS

PNC BANK NATIONAL ASSOCIATION,
AS MANAGING AGENT

and

SOCIETE GENERALE,
DRESDNER BANK AG,
WELLS FARGO BANK, NATIONAL ASSOCIATION,
BANK AUSTRIA CREDITANSTALT CORPORATE FINANCE, INC.,
BAYERISCHE HYPO-UND VEREINSBANK,
and SUMMIT BANK
AS CO-AGENTS

Dated as of June 22, 2000

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AMENDMENT NO. 3 TO AND RESTATEMENT OF
REVOLVING CREDIT AGREEMENT

This AMENDMENT NO. 3 TO AND RESTATEMENT OF REVOLVING CREDIT AGREEMENT (this "AGREEMENT") is made as of the 22nd day of June, 2000, by and among MACK-CALI REALTY, L.P., a Delaware limited partnership ("MCRLP" or the "BORROWER"), having its principal place of business at 11 Commerce Drive, Cranford, New Jersey 07016, THE CHASE MANHATTAN BANK ("CHASE"), having its principal place of business at 270 Park Avenue, New York, New York 10017, FLEET NATIONAL BANK ("FLEET"), a national banking association having its principal place of business at 100 Federal Street, Boston, Massachusetts 02110, and the other lending institutions party hereto or which may become parties hereto pursuant to Section 18 (individually, a "LENDER" and collectively, the "LENDERS") and THE CHASE MANHATTAN BANK, as the administrative agent for itself and each other Lender, and FLEET NATIONAL BANK, as the syndication agent.

RECITALS

A. The Borrower and its Subsidiaries are primarily engaged in the business of owning, purchasing, developing, constructing, renovating and operating office, office/flex, industrial/warehouse and multifamily residential properties in the United States.

B. Mack-Cali Realty Corporation, a Maryland corporation ("MCRC"), is the sole general partner of MCRLP, holds in excess of 80% of the partnership interests in MCRLP, is qualified to elect REIT status for income tax purposes, and has agreed to guaranty the obligations of the Borrower hereunder.

C. Those Subsidiaries of the Borrower which are the owners of Unencumbered Property have also agreed to guaranty the obligations of the Borrower hereunder.

D. The Borrower, certain of the Lenders, certain other lending institutions, and the Administrative Agent are parties to a Revolving Credit Agreement dated as of April 16, 1998, as amended by Amendment No. 1 to Revolving Credit Agreement dated as of July 20, 1998, as further amended by Amendment No. 2 to Revolving Credit Agreement dated as of December 30, 1998 (as so amended, the "ORIGINAL AGREEMENT").

E. The Borrower, the Lenders and the Administrative Agent wish to amend and restate the Original Agreement in its entirety as set forth in this Agreement.

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NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

Section 1. DEFINITIONS AND RULES OF INTERPRETATION.

Section 1.1. DEFINITIONS. The following terms shall have the meanings set forth in this Section 1 or elsewhere in the provisions of this Agreement referred to below:

ABSOLUTE COMPETITIVE BID LOAN. See Section 2A.3(a).

ACCOUNTANTS. In each case, nationally-recognized, independent certified public accountants reasonably acceptable to the Administrative Agent. The Lenders hereby acknowledge that PricewaterhouseCoopers LLP and the other major national accounting firms are acceptable accountants.

ADJUSTED UNENCUMBERED PROPERTY NOI. With respect to any fiscal period for any Unencumbered Property, the net income of such Unencumbered Property during such period, as determined in accordance with GAAP, before adjustment for (a) gains (or losses) from debt restructurings or other extraordinary items relating to such Unencumbered Property, (b) minority interests, not inconsistent with the wholly-owned Subsidiary requirements for Unencumbered Properties and

(c) income taxes; PLUS (x) interest expense relating to such Unencumbered Property and (y) depreciation and amortization relating to such Unencumbered Property and (z) the noncash portion of executive stock award rights and stock purchase rights relating to the Unencumbered Property in question included in written executive employment agreements, written employee plans or other written non-monetary employment compensation provisions to the extent excluded from net income, as determined in accordance with GAAP; MINUS a recurring capital expense reserve equal to four percent (4%) of total revenue of such Unencumbered Property for such period, after adjustments to eliminate the effect of the straight-lining of rents affecting such Unencumbered Property.

ADMINISTRATIVE AGENT. The Chase Manhattan Bank acting as administrative agent for the Lenders, or any successor administrative agent, as permitted by Section 14.

ADMINISTRATIVE AGENT'S HEAD OFFICE. The Administrative Agent's head office located at 270 Park Avenue, New York, New York 10017, or at such other location as the Administrative Agent may designate from time to time pursuant to Section 19 hereof, or the office of any successor Administrative Agent permitted under Section 14 hereof.

ADMINISTRATIVE FEE. See Section 2.4(g).

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ADVISORY AND STRUCTURING FEE. See Section 2.4(d).

AFFILIATE. With reference to any Person, (i) any director or executive officer of that Person, (ii) any other Person controlling, controlled by or under direct or indirect common control of that Person, (iii) any other Person directly or indirectly holding 10% or more of any class of the capital stock or other equity interests (including options, warrants, convertible securities and similar rights) of that Person (other than a mutual fund which owns 10% or more of the common stock of MCRC) and (iv) any other Person 10% or more of any class of whose capital stock or other equity interests (including options, warrants, convertible securities and similar rights) is held directly or indirectly by that Person.

AGREEMENT. The Original Agreement as amended by this Amendment No. 3 to and Restatement of Revolving Credit Agreement, including the schedules and exhibits hereto, as the same may be from time to time amended and in effect.

ALTERNATE BASE RATE. The higher of (a) the annual rate of interest announced from time to time by Chase at its head office in New York, New York as its "prime rate" or (b) one half of one percent (1/2%) above the overnight federal funds effective rate as published by the Board of Governors of the Federal Reserve System, as in effect from time to time. Any change in the Alternate Base Rate during an Interest Period shall result in a corresponding change on the same day in the rate of interest accruing from and after such day on the unpaid balance of principal of the Alternate Base Rate Loans, if any, applicable to such Interest Period, effective on the day of such change in the Alternate Base Rate.

ALTERNATE BASE RATE LOANS. Those Revolving Credit Loans bearing interest calculated by reference to the Alternate Base Rate.

APPLICABLE L/C PERCENTAGE. As of any date of determination, a per annum percentage equal to the Applicable Margin for Revolving Credit LIBOR Rate Loans then in effect.

APPLICABLE MARGIN. The applicable margin (if any) over the then Alternate Base Rate or LIBOR Rate, as applicable to the Revolving Credit Loan(s) in question, as set forth below, which is used in calculating the interest rate applicable to Revolving Credit Loans and which shall vary from time to time in accordance with MCRLP's debt ratings, if any. The Applicable Margin to be used in calculating the interest rate applicable to Alternate Base Rate Loans or Revolving Credit LIBOR Rate Loans shall vary from time to time in

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accordance with MCRLP's then applicable (if any) (x) Moody's debt rating, (y) S&P's debt rating and (z) any Third Debt Rating, as set forth below in this definition, and the Applicable Margin shall be adjusted effective on the next Business Day following any change in MCRLP's Moody's debt rating or S&P's debt rating or Third Debt Rating, as the case may be. MCRLP shall notify the Administrative Agent in writing promptly after becoming aware of any change in any of its debt ratings. In order to qualify for an Applicable Margin based upon a debt rating, MCRLP shall maintain debt ratings from at least two (2) nationally recognized rating agencies reasonably acceptable to the Administrative Agent, one of which must be Moody's or S&P so long as such Persons are in the business of providing debt ratings for the REIT industry; PROVIDED that if MCRLP fails to maintain at least two debt ratings, the Applicable Margin shall be based upon an S&P rating of less than BBB- in the table below. In addition, MCRLP may, at its option, obtain and maintain three

debt ratings (of which one must be from Moody's or S&P except as set forth in the previous sentence). If at any time of determination of the Applicable Margin, (a) MCRLP has then current debt ratings from two (2) rating agencies, then the Applicable Margin shall be based on the lower of such ratings, or (b) MCRLP has then current debt ratings from three (3) rating agencies, then the Applicable Margin shall be based on the lower of the two highest ratings.

The applicable debt ratings and the Applicable Margins are set forth in the following table:

<TABLE>
<CAPTION>

S&P RATING	MOODY'S RATING	THIRD RATING	APPLICABLE MARGIN FOR REVOLVING CREDIT LIBOR RATE LOANS	APPLICABLE MARGIN FOR ALTERNATE BASE RATE LOANS
<S> No rating or less than BBB-	<C> No rating or less than Baa3	<C> No rating or less than BBB-/Baa3 equivalent	<C> 1.20%	<C> 0%
BBB-	Baa3	BBB-/Baa3 equivalent	0.95%	0%
BBB	Baa2	BBB/Baa2 equivalent	0.80%	0%
BBB+	Baa1	BBB+/Baa1 equivalent	0.725%	0%
A- or higher	A3 or higher	A-/A3 equivalent or higher	0.65%	0%

</TABLE>

ARRANGERS. Chase Securities Inc. and FleetBoston Robertson Stephens Inc.

ASSIGNMENT AND ASSUMPTION. See Section 18.1.

BORROWER. As defined in the preamble hereto.

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BUILDING. Individually and collectively, the buildings, structures and improvements now or hereafter located on the Real Estate.

BUSINESS DAY. Any day on which banking institutions in New York, New York are open for the transaction of banking business and, in the case of LIBOR Rate Loans, also a day which is a LIBOR Business Day.

CAPITALIZED LEASES. Leases under which the Borrower or any of its Subsidiaries or any Partially-Owned Entity is the lessee or obligor, the discounted future rental payment obligations under which are required to be capitalized on the balance sheet of the lessee or obligor in accordance with GAAP.

CAPITALIZED UNENCUMBERED PROPERTY NOI. As of any date of determination with respect to an Unencumbered Property, an amount equal to the Revised Adjusted Unencumbered Property NOI for such Unencumbered Property for the most recent two (2) complete fiscal quarters MULTIPLIED BY two (2), with the product being DIVIDED BY 9.25%.

CERCLA. See Section 6.18.

CLOSING DATE. June 22, 2000, which is the date on which all of the conditions set forth in Section 10 have been satisfied.

CODE. The Internal Revenue Code of 1986, as amended and in effect from time to time.

COMMITMENT. With respect to each Lender, the amount set forth from time to time on SCHEDULE 1.2 hereto as the amount of such Lender's Commitment to make Revolving Credit Loans to, and to participate in the issuance, extension and renewal of Letters of Credit for the account of, the Borrower.

COMMITMENT PERCENTAGE. With respect to each Lender, the percentage set forth on SCHEDULE 1.2 hereto as such Lender's percentage of the Total Commitment and any changes thereto from time to time.

COMPETITIVE BID LOAN ACCOUNTS. See Section 2A.2(a).

COMPETITIVE BID LOANS. A borrowing hereunder consisting of one or more loans made by any of the participating Lenders whose offer to make a Competitive Bid Loan as part of such borrowing has been accepted by the Borrower under the auction bidding procedure described in Section 2A hereof.

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COMPETITIVE BID MARGIN. See Section 2A.5(b)(iv).

COMPETITIVE BID NOTES. See Section 2A.2(b).

COMPETITIVE BID QUOTE. An offer by a Lender to make a Competitive Bid Loan in accordance with Section 2A.5 hereof.

COMPETITIVE BID QUOTE REQUEST. See Section 2A.3.

COMPETITIVE BID RATE. See Section 2A.5(b)(v).

COMPLETED REVOLVING CREDIT LOAN REQUEST. A loan request accompanied by all information required to be supplied under the applicable provisions of Section 2.5.

CONSOLIDATED OR CONSOLIDATED. With reference to any term defined herein, shall mean that term as applied to the accounts of MCRC and its subsidiaries (including the Borrower and the Subsidiary Guarantors) or MCRLP and its subsidiaries, as the case may be, consolidated in accordance with GAAP.

CONSOLIDATED ADJUSTED NET INCOME. For any period, an amount equal to the consolidated net income of MCRC, the Borrower and their respective Subsidiaries for such period, as determined in accordance with GAAP, before (a) gains (or losses) from the sale of real property or interests therein, debt restructurings and other extraordinary items, (b) minority interest of said Persons in other Persons and (c) income taxes; PLUS (w) interest expense, (x) depreciation and amortization, (y) the noncash portion of executive stock award rights and stock purchase rights included in written executive employment agreements, written employee plans or other written non-monetary employment compensation provisions, and (z) certain non-recurring cash payments made pursuant to certain written employment agreements, written employee plans or other written employment compensation provisions with key management individuals existing as of the date hereof and described on SCHEDULE EMPL hereto and their successors (as such agreements, plans and provisions may be amended from time to time) in an amount not to exceed \$20,000,000 in the aggregate during any fiscal year; MINUS a recurring capital expense reserve in an amount equal to four percent (4%) of consolidated total revenue of MCRC, the Borrower and their respective Subsidiaries; all after adjustments to eliminate the effect of the straight-lining of rents; and all after adjustments for unconsolidated partnerships, joint ventures and other entities.

CONSOLIDATED CAPITALIZED NOI. As of any date of determination, an amount equal to Revised Consolidated Adjusted Net Income for the most recent

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two (2) completed fiscal quarters MULTIPLIED BY two (2), with the product being DIVIDED BY 9.25%.

CONSOLIDATED FIXED CHARGES. For any fiscal period, the sum of Consolidated Total Debt Service PLUS the aggregate of all Distributions payable on the preferred stock of or other preferred beneficial interests in the Borrower, MCRC or any of their respective Subsidiaries.

CONSOLIDATED SECURED INDEBTEDNESS. As of any date of determination, the aggregate principal amount of all Indebtedness of MCRC, the Borrower and their respective Subsidiaries outstanding at such date secured by a Lien on the Real Estate of such Person, without regard to Recourse.

CONSOLIDATED TANGIBLE NET WORTH. As of any date of determination, the Consolidated Total Capitalization MINUS Consolidated Total Liabilities.

CONSOLIDATED TOTAL CAPITALIZATION. As of any date of determination, with respect to MCRC, the Borrower and their respective Subsidiaries determined on a consolidated basis in accordance with GAAP; the sum (without double-counting) of (a) Consolidated Capitalized NOI PLUS (b) the value of Unrestricted Cash and Cash Equivalents (excluding until forfeited or otherwise entitled to be retained by the Borrower or its Subsidiaries, tenant security and other restricted deposits), PLUS (c) the aggregate costs incurred and paid to date by the Borrower and its Subsidiaries with respect to Construction-In-Process, PLUS (d) the value of Indebtedness of third parties to the Borrower and its Subsidiaries for borrowed money which is secured by mortgage liens in real estate (valued in accordance with GAAP at the book value of such Indebtedness and not then more than 90 days past due or declared by the

Borrower or its Subsidiary to be past due), PLUS (e) the actual net cash investment by the Borrower and its Subsidiaries in any Opportunity Funds (wherein such Opportunity Fund (x) does not have any Indebtedness that is then more than 90 days past due or (y) has not been declared to be in default of any monetary or material monetizable obligations), PLUS (f) the book value of Unimproved Non-Income Producing Land PLUS (g) the value of Eligible Cash 1031 Proceeds; PROVIDED that the value of all permitted investments included within Consolidated Total Capitalization (other than Eligible Cash 1031 Proceeds) shall not exceed the limitations set forth in Section 9.8 hereof.

CONSOLIDATED TOTAL DEBT SERVICE. For any fiscal period, without double-counting, (a) Consolidated Total Interest Expense for such period PLUS (b) the aggregate amount of scheduled principal payments of Indebtedness (excluding (x) optional prepayments and (y) balloon payments at maturity) required to be made during such period by MCRC, the Borrower and any of their respective Subsidiaries PLUS (c) the aggregate amount of capitalized interest

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required in accordance with GAAP to be paid or accrued by MCRC, the Borrower and their respective Subsidiaries during such quarter.

CONSOLIDATED TOTAL INTEREST EXPENSE. For any fiscal period, the aggregate amount of interest required in accordance with GAAP to be paid or accrued, without double-counting, by MCRC, the Borrower and their respective Subsidiaries during such period on all Indebtedness of MCRC, the Borrower and their respective Subsidiaries outstanding during all or any portion of such period, whether such interest was or is required to be reflected as an item of expense or capitalized, including payments consisting of interest expenses in respect of any Synthetic Lease.

CONSOLIDATED TOTAL LIABILITIES. As of any date of determination, without double-counting, all liabilities of MCRC, the Borrower and their respective Subsidiaries, including guaranties of payment for any Opportunity Fund, determined on a consolidated basis in accordance with GAAP and classified as such on the consolidated balance sheet of MCRC, the Borrower and their respective Subsidiaries, and all Indebtedness of MCRC, the Borrower and their respective Subsidiaries, whether or not so classified (excluding, to the extent otherwise included in Consolidated Total Liabilities, restricted cash held on account of tenant security and other restricted deposits).

CONSOLIDATED TOTAL UNSECURED DEBT SERVICE. For any fiscal period, Consolidated Total Debt Service with respect to Consolidated Unsecured Indebtedness only for such period.

CONSOLIDATED UNSECURED INDEBTEDNESS. As of any date of determination, the aggregate principal amount of all Unsecured Indebtedness of MCRC, the Borrower and their respective Subsidiaries outstanding at such date, including without limitation the aggregate principal amount of all the Obligations under this Agreement as of such date, determined on a consolidated basis in accordance with GAAP, without regard to Recourse.

CONSTRUCTION-IN-PROCESS. Any Real Estate for which the Borrower, any Guarantor, any of the Borrower's Subsidiaries or any Partially-Owned Entity is actively pursuing construction, renovation, or expansion of Buildings and, except for purposes of the covenant set forth in Section 9.8(c) hereof, for which construction is proceeding to completion without undue delay from Permit denial, construction delays or otherwise, all pursuant to such Person's ordinary course of business. Notwithstanding the foregoing, tenant improvements to previously constructed and/or leased Real Estate shall not be considered Construction-In-Process.

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CONVERSION REQUEST. A notice given by the Borrower to the Administrative Agent of its election to convert or continue a Revolving Credit Loan in accordance with Section 2.6.

CREDIT PARTIES. Collectively, the Borrower, the Operating Subsidiaries, MCRC, the Subsidiary Guarantors and any other wholly-owned Subsidiary for which the Borrower or MCRC has legal liability for such wholly-owned Subsidiary's obligations and liabilities, directly or indirectly.

DEBT RATINGS. Long-term, unsecured, non-credit enhanced debt ratings.

DEFAULT. As of the relevant time of determination, an event or occurrence which solely with the giving of notice or the lapse of time, or both, would constitute an Event of Default.

DISQUALIFYING ENVIRONMENTAL EVENT. Any Release or threatened Release of Hazardous Substances, any violation of Environmental Laws or any other similar environmental event with respect to any Real Estate (x) that causes either the occupancy or rent of such Real Estate to be adversely affected by greater than ten percent (10%), as compared to what otherwise would have been the occupancy

or rent of such Real Estate in the absence of such environmental event or (y) for which the remaining costs of remediation in order to bring such Real Estate into compliance with Environmental Laws exceeds the greater of \$1,000,000 or 1.5% of the Capitalized Unencumbered Property NOI of the Real Estate that is the particular Unencumbered Property in issue ("REMEDIATION"); PROVIDED that (1) any Real Estate that qualifies under (x) and (y) which requires Remediation shall only be eligible to be an Unencumbered Property if such Remediation is ongoing in accordance with prudent environmental practice and (2) the number of Unencumbered Properties subject to Remediation shall not exceed the greater of (i) five (5) Buildings (and related land) or (ii) the number of Buildings (and related land) that are two and one-half percent (2.5%) of the total number of Buildings constituting all of the Buildings in Unencumbered Properties at any time.

DISTRIBUTION.

(i) with respect to the Borrower or its Subsidiaries, any distribution of cash or other cash equivalent, directly or indirectly, to the partners or other equity interest holders of the Borrower or its Subsidiaries in respect of such partnership or other equity interest or interests so characterizable; or any other distribution on or in respect of any partnership interests of the Borrower or its Subsidiaries; and

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(ii) with respect to MCRC, the declaration or payment of any cash dividend on or in respect of any shares of any class of capital stock of MCRC.

DOLLARS or \$. Dollars in lawful currency of the United States of America.

DRAWDOWN DATE. The date on which any Revolving Credit Loan is made or is to be made, and the date on which any Revolving Credit Loan is converted or continued in accordance with Section 2.6.

DUFF & PHELPS. Duff & Phelps, and its successors.

ELIGIBLE ASSIGNEE. Any of (a) a commercial bank organized under the laws of the United States, or any State thereof or the District of Columbia, and having total assets in excess of \$1,000,000,000; (b) a savings and loan association or savings bank organized under the laws of the United States, or any State thereof or the District of Columbia, and having total assets in excess of \$1,000,000,000, calculated in accordance with GAAP; (c) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development (the "OECD"), or a political subdivision of any such country, and having total assets in excess of \$1,000,000,000, PROVIDED that such bank is acting at all times with respect to this Agreement through a branch or agency located in the United States of America and (d) a financial institution reasonably acceptable to the Administrative Agent which is regularly engaged in making, purchasing or investing in loans and having total assets in excess of \$300,000,000.

ELIGIBLE CASH 1031 PROCEEDS. The cash proceeds held by a "qualified intermediary" from the sale of Real Estate, which proceeds are intended to be used by the qualified intermediary to acquire one or more "replacement properties" that are of "like-kind" to such Real Estate in an exchange that qualifies as a tax-free exchange under Section 1031 of the Code, and no portion of which proceeds MCRC, the Borrower or any Subsidiary has the right to receive, pledge, borrow or otherwise obtain the benefits of until such time as provided under the applicable "exchange agreement" (as such terms in quotations are defined in Treasury Regulations Section 1.1031(k)-1(g)(4)) (the "Regulations") or until such exchange is terminated. Upon the cash proceeds no longer being held by the qualified intermediary pursuant to the Regulations or otherwise qualifying under the Regulations for like-kind exchange treatment, such proceeds shall cease being Eligible Cash 1031 Proceeds.

ELIGIBLE GROUND LEASE. A ground lease that (a) has a minimum remaining term of thirty (30) years, including tenant controlled options, as of any date of determination, (b) has customary notice rights, default cure rights, bankruptcy new lease rights and other customary provisions for the benefit of a leasehold

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mortgagee or has equivalent protection for a leasehold permanent mortgagee by a subordination to such leasehold permanent mortgagee of the landlord's fee interest, and (c) is otherwise acceptable for Without Recourse leasehold mortgage financing (with the exception permitted under clause (b) above) under customary prudent lending requirements. The Eligible Ground Leases as of the date of this Agreement are listed on SCHEDULE EG.

EMPLOYEE BENEFIT PLAN. Any employee benefit plan within the meaning of

Section 3(3) of ERISA maintained or contributed to by the Borrower or any ERISA Affiliate, other than a Multiemployer Plan.

ENVIRONMENTAL LAWS. See Section 6.18(a).

ERISA. The Employee Retirement Income Security Act of 1974, as amended and in effect from time to time.

ERISA AFFILIATE. Any Person which is treated as a single employer with the Borrower under Section 414 of the Code.

ERISA REPORTABLE EVENT. A reportable event with respect to a Guaranteed Pension Plan within the meaning of Section 4043 of ERISA and the regulations promulgated thereunder as to which the requirement of notice has not been waived.

EUROCURRENCY RESERVE RATE. For any day with respect to a LIBOR Rate Loan, the weighted average of the rates (expressed as a decimal) at which all of the Lenders subject thereto would be required to maintain reserves under Regulation D of the Board of Governors of the Federal Reserve System (or any successor or similar regulations relating to such reserve requirements) against "Eurocurrency Liabilities" (as that term is used in Regulation D), if such liabilities were outstanding. The Eurocurrency Reserve Rate shall be adjusted automatically on and as of the effective date of any change in the Eurocurrency Reserve Rate.

EVENT OF DEFAULT. See Section 12.1.

FACILITY FEE. See Section 2.4(f).

FEE LETTER. See Section 2.4(d).

FINANCIAL STATEMENT DATE. With respect to the Borrower, MCRC and their respective subsidiaries, December 31, 1999.

FITCH. Fitch IBCA, Inc., and its successors.

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FRONTING BANK. With respect to any letters of credit issued under this Agreement on or after the date hereof, Chase, or with the consent of the Administrative Agent and the Borrower, another Lender.

FUNDS FROM OPERATIONS. As defined in accordance with resolutions adopted by the Board of Governors of the National Association of Real Estate Investment Trusts as in effect from time to time, but in any event excluding one-time or non-recurring charges.

GAAP. Generally accepted accounting principles in effect from time to time in the United States, consistently applied, PROVIDED that a certified public accountant would, insofar as the use of such accounting principles is pertinent, be in position to deliver an unqualified opinion as to financial statements in which such principles have been properly applied.

GUARANTEED PENSION PLAN. Any employee pension benefit plan within the meaning of Section 3(2) of ERISA maintained or contributed to by the Borrower or any Guarantor, as the case may be, or any ERISA Affiliate of any of them the benefits of which are guaranteed on termination in full or in part by the PBGC pursuant to Title IV of ERISA, other than a Multiemployer Plan.

GUARANTIES. Collectively, (i) the MCRC Guaranty, (ii) the Subsidiary Guaranties, (iii) any other guaranty of the Obligations made by an Affiliate of the Borrower in favor of the Administrative Agent and the Lenders, and (iv) the ratification for purposes of this Agreement of all "Guaranties" under the Original Agreement.

GUARANTORS. Collectively, MCRC, the Subsidiary Guarantors and any other Affiliate of the Borrower executing a Guaranty; PROVIDED, HOWEVER, when the context so requires, Guarantor shall refer to MCRC or such Affiliate, as appropriate. Any Guarantor that is the owner or ground lessee of an Unencumbered Property shall be a wholly-owned Subsidiary. PROVIDED FURTHER, HOWEVER, from and after the release of the Guaranty of any Subsidiary Guarantor pursuant to Section 5 below, such Subsidiary Guarantor shall no longer be considered a "Guarantor" for purposes of this Agreement.

HARBORSIDE ASSUMED DEBT. (i) The Indebtedness to be owed by one or more of MCRLP and certain of its Subsidiaries to Northwestern Mutual Insurance Company and Principal Mutual Life Insurance Company in the original principal amount of \$110,000,000, and (ii) the Indebtedness to be owed by one or more of MCRC, MCRLP and certain of its Subsidiaries to US West Pension Trust, Investment Management Company in the original principal amount of \$42,087,513.

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HARBORSIDE DEBT. The Indebtedness incurred by MCRLP pursuant to the Revolving Credit Facility Agreement dated as of November 1, 1996, among MCRLP, the several lenders from time to time parties thereto, and PSC, as administrative agent for such lenders, as the same may be amended, supplemented or otherwise modified from time to time.

HARBORSIDE PLEDGE AGREEMENTS. Collectively, (i) the pledge agreement between MCRC and PSC, as the administrative agent, and (ii) the pledge agreement between MCRLP and PSC, as the administrative agent, in each case (a) securing the Harborside Debt in connection with the Harborside Transaction, and (b) as the same may be amended, supplemented or otherwise modified from time to time.

HARBORSIDE PLEDGED INTERESTS. Collectively, (i) the 99% limited partnership interest owned by MCRLP in each of Cali Harborside (Fee) Associates L.P., a New Jersey limited partnership, Cal-Harbor II & II Urban Renewal Associates L.P., a New Jersey limited partnership, Cal-Harbor IV Urban Renewal Associates L.P., a New Jersey limited partnership, Cal-Harbor V Urban Renewal Associates L.P., a New Jersey limited partnership, Cal-Harbor VI Urban Renewal Associates L.P., a New Jersey limited partnership, Cal-Harbor So. Pier Urban Renewal Associates L.P., a New Jersey limited partnership, Cal-Harbor No. Pier Urban Renewal Associates L.P., a New Jersey limited partnership, and Cal-Harbor VII Urban Renewal Associates L.P., a New Jersey limited partnership; and (ii) 100% of the issued and outstanding capital stock owned by MCRC of each of Cali Sub X, Inc., a Delaware corporation, and Cali Sub XI, Inc., a Delaware corporation, in each case pledged to PSC, as the administrative agent, pursuant to the Harborside Pledge Agreements.

HARBORSIDE TRANSACTION. (i) The acquisition by MCRLP and certain of its Subsidiaries of the real property, buildings and other improvements thereon commonly known as the Harborside Financial Center, Jersey City, New Jersey, (ii) the incurrence of the Harborside Debt, and (iii) the incurrence of the Harborside Assumed Debt.

HAZARDOUS SUBSTANCES. See Section 6.18(b).

INDEBTEDNESS. All obligations, contingent and otherwise, that in accordance with GAAP should be classified upon the obligor's balance sheet as liabilities, including, without limitation, (a) all obligations for borrowed money and similar monetary obligations, whether direct or indirect; (b) all liabilities secured by any mortgage, pledge, negative pledge, security interest, lien, charge, or other encumbrance existing on property owned or acquired subject thereto, whether or not the liability secured thereby shall have been assumed; (c) all

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obligations under any Capitalized Lease (determined in accordance with Section 9.9) or any Synthetic Lease; (d) all guarantees for borrowed money, endorsements and other contingent obligations, whether direct or indirect, (without double counting and in accordance with Section 9.0) in respect of indebtedness or obligations of others, including any obligation to supply funds (including partnership obligations and capital requirements) to or in any manner to invest in, directly or indirectly, the debtor, to purchase indebtedness, or to assure the owner of indebtedness against loss, through an agreement to purchase goods, supplies, or services for the purpose of enabling the debtor to make payment of the indebtedness held by such owner or otherwise, and the obligations to reimburse the issuer in respect of any letters of credit; and (e) to the extent not otherwise included, obligations of the Borrower under so-called forward equity purchase contracts to the extent that such obligations are not payable solely in equity interests in MCRC.

INTEREST PAYMENT DATE. (i) As to any Alternate Base Rate Loan, the last day of the calendar month which includes the Drawdown Date thereof; and (ii) as to any Revolving Credit LIBOR Rate Loan in respect of which the Interest Period is (A) three (3) months or less, the last day of such Interest Period and (B) more than three (3) months, the date that is three (3) months from the first day of such Interest Period, each date that is three (3) months thereafter, and, in addition, the last day of such Interest Period.

INTEREST PERIOD. With respect to each Loan, (a) initially, the period commencing on the Drawdown Date of such Loan and ending on the last day of one of the following periods (as selected by the Borrower in a Completed Revolving Credit Loan Request or as otherwise in accordance with the terms of this Agreement): (i) for any Alternate Base Rate Loan, the last day of the calendar month, (ii) for any Revolving Credit LIBOR Rate Loan, 1, 2, 3, 6, 9 or 12 months (PROVIDED that (x) the Interest Period for Revolving Credit LIBOR Rate Loans may be shorter than one (1) month in order to consolidate two (2) or more Revolving Credit LIBOR Rate Loans and (y) the Interest Period for all Revolving Credit LIBOR Rate Loans shall be one (1) month until the earlier of ninety (90) days after the Closing Date or the date on which the Arrangers complete the syndication of the Total Commitment, as evidenced by written notice from the Arrangers to the Borrower as to such completion), (iii) for any Absolute Competitive Bid Loan, a market period not to extend beyond the Maturity Date, and (iv) for any LIBOR Competitive Bid Loan, 1, 2, 3, 6, 9 or 12 months; and (b)

thereafter, each period commencing at the end of the last day of the immediately preceding Interest Period applicable to such Loan and ending on the last day of the applicable period set forth in (a) above as selected by the Borrower in a Conversion Request or as otherwise in accordance with this Agreement; PROVIDED that all of the foregoing provisions relating to Interest Periods are subject to the following:

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(A) if any Interest Period with respect to a Alternate Base Rate Loan would end on a day that is not a Business Day, that Interest Period shall end on the next succeeding Business Day;

(B) if any Interest Period with respect to a LIBOR Rate Loan would otherwise end on a day that is not a Business Day, that Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the immediately preceding Business Day;

(C) if the Borrower shall fail to give a Conversion Request as provided in Section 2.6, the Borrower shall be deemed to have requested a continuation of the affected Revolving Credit LIBOR Rate Loan as a Revolving Credit LIBOR Rate Loan with an Interest Period of one (1) month on the last day of the then current Interest Period with respect thereto, other than during the continuance of a Default or an Event of Default;

(D) any Interest Period relating to any LIBOR Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to subparagraph (E) below, end on the last Business Day of a calendar month; and

(E) any Interest Period that would otherwise extend beyond the Maturity Date shall end on the Maturity Date.

INVESTMENT GRADE CREDIT RATING. A long-term unsecured, non-credit enhanced debt rating (a) from Moody's of Baa3 or higher, (b) from S&P of BBB- or higher, or (c) from a Third Rating Agency of the Baa3/BBB- equivalent or higher.

INVESTMENTS. All expenditures made and all liabilities incurred (contingently or otherwise, but without double-counting): (i) for the acquisition of stock, partnership or other equity interests or Indebtedness of, or for loans, advances, capital contributions or transfers of property to, any Person; and (ii) for the acquisition of any other obligations of any Person. In determining the aggregate amount of Investments outstanding at any particular time: (a) there shall be included as an Investment all interest accrued with respect to Indebtedness constituting an Investment unless and until such interest is paid; (b) there shall be deducted in respect of each such Investment any amount received as a return of capital (but only by repurchase, redemption, retirement,

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repayment, liquidating dividend or liquidating distribution); (c) there shall not be deducted in respect of any Investment any amounts received as earnings on such Investment, whether as dividends, interest or otherwise, except that accrued interest included as provided in the foregoing clause (a) may be deducted when paid; and (d) there shall not be deducted from the aggregate amount of Investments any decrease in the value thereof.

LEASES. Leases, licenses and agreements, whether written or oral, relating to the use or occupation of space in or on the Buildings or on the Real Estate by persons other than the Borrower, its Subsidiaries or any Partially-Owned Entity, PROVIDED that "Leases" shall include any such lease, license or other such agreement with a Partially-Owned Entity if such lease, license or other agreement is at a market level rent and related tenant charges, which are required to be paid monthly or, in the case of non-rent tenant charges, when usually and customarily required to be paid by other tenants of the same Real Estate (and at least annually).

LENDERS. Collectively, the Administrative Agent, any other lenders which may provide additional commitments and become parties to this Agreement, and any other Person who becomes an assignee of any rights of a Lender pursuant to Section 18 or a Person who acquires all or substantially all of the stock or assets of a Lender.

LETTER OF CREDIT. See Section 3.1.1.

LETTER OF CREDIT APPLICATION. See Section 3.1.1.

LETTER OF CREDIT FEE. See Section 3.6.

LETTER OF CREDIT PARTICIPATION. See Section 3.1.4.

LIBOR BREAKAGE COSTS. With respect to any LIBOR Rate Loan to be prepaid or not drawn after elected, or converted prior to the last day of the applicable Interest Period, a prepayment "breakage" fee in an amount determined by the Administrative Agent in the following manner:

(i) First, the Administrative Agent shall determine the amount by which (a) the total amount of interest which would have otherwise accrued hereunder on each installment of principal prepaid or not so drawn, during the period beginning on the date of such prepayment or failure to draw and ending on the last day of the applicable LIBOR Rate Loan Interest Period (the "REEMPLOYMENT PERIOD"), exceeds (b) the total amount of interest which would accrue, during the Reemployment Period, on any readily marketable bond or other obligation of the United States of

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America designated by the Administrative Agent in its sole discretion at or about the time of such payment, such bond or other obligation of the United States of America to be in an amount equal (as nearly as may be) to the amount of principal so paid or not drawn after elected and to have maturity at the end of the Reemployment Period, and the interest to accrue thereon to take account of amortization of any discount from par or accretion of premium above par at which the same is selling at the time of designation. Each such amount is hereinafter referred to as an "INSTALLMENT AMOUNT".

(ii) Second, each Installment Amount shall be treated as payable on the last day of the LIBOR Rate Loan Interest Period which would have been applicable had such principal installment not been prepaid or not borrowed.

(iii) Third, the amount to be paid on each such breakage date shall be the present value of the Installment Amount determined by discounting the amount thereof from the date on which such Installment Amount is to be treated as payable, at the same yield to maturity as that payable upon the bond or other obligation of the United States of America designated as aforesaid by the Administrative Agent.

If by reason of an Event of Default the Administrative Agent elects to declare a LIBOR Rate Loan to be immediately due and payable, then any breakage fee with respect to such LIBOR Rate Loan shall become due and payable in the same manner as though the Borrower had exercised such right of prepayment.

LIBOR BUSINESS DAY. Any day on which commercial banks are open for international business (including dealings in Dollar deposits) in London.

LIBOR COMPETITIVE BID LOAN(S). See Section 2A.3(a).

LIBOR RATE. For any Interest Period with respect to a LIBOR Rate Loan, the rate of interest per annum (rounded upward, if necessary, to the nearest 1/16 of one percent) as determined on the basis of the offered rates for deposits in Dollars for a period of time comparable to such Interest Period which appears on the Telerate page 3750 (or such other page as may replace that page on the Telerate service) as of 11:00 a.m. London time on the date that is two (2) LIBOR Business Days prior to the beginning of such Interest Period; PROVIDED, HOWEVER, if the rate described above does not appear on the Telerate System on any applicable interest determination date, the LIBOR Rate shall be the rate (rounded upwards as described above, if necessary) for deposits in Dollars for a period of time substantially equal to the Interest Period which appears on the

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Reuters Page "LIBO" (or such other page as may replace the LIBO Page on that service for the purpose of displaying such rates), as of 11:00 a.m. London time on the date that is two (2) LIBOR Business Days prior to the beginning of such Interest Period.

If both the Telerate and Reuters systems are unavailable, then the rate for that date will be determined on the basis of the offered rates for deposits in Dollars for a period of time comparable to the Interest Period which are offered by four major banks in the London interbank market at approximately 11:00 a.m. London time on the date that is two (2) LIBOR Business Days prior to the beginning of such Interest Period. The principal London office of each of the four major London banks will be requested to provide a quotation of its Dollar deposit offered rate. If at least two such quotations are provided, the rate for that date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that date will be determined on the basis of the rates quoted for loans in Dollars to leading European banks for a period of time comparable to the Interest Period by major banks in New York City at approximately 11:00 a.m. New York City time on the

date that is two (2) LIBOR Business Days prior to the beginning of such Interest Period. In the event that the Administrative Agent is unable to obtain any quotation as provided above, it will be deemed that the LIBOR Rate cannot be determined.

In the event that the Board of Governors of the Federal Reserve System shall impose a reserve requirement with respect to LIBOR deposits of the Lenders, then for any period during which such reserve requirement shall apply, the LIBOR Rate shall be equal to the amount determined above divided by an amount equal to one (1.00) minus the Eurocurrency Reserve Rate.

LIBOR RATE LOAN(S). Loans bearing interest calculated by reference to the LIBOR Rate.

LIEN. See Section 8.2.

LOAN DOCUMENTS. Collectively, this Agreement, the Letter of Credit Applications, the Letters of Credit, the Notes, the Guaranties, and any and all other agreements, instruments or documents now or hereafter identified thereon as a "Loan Document" under this Agreement, and all schedules, exhibits and annexes hereto or thereto, as the same may from time to time be amended and in effect.

LOANS. The Revolving Credit Loans and the Competitive Bid Loans.

MAJORITY LENDERS. As of any date, the Lenders whose aggregate Commitments constitute at least fifty-one percent (51%) of the Total

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Commitment, but in no event fewer than two Lenders if there are three or more Lenders; PROVIDED that if the Total Commitment has been terminated by the Lenders and no Revolving Credit Loans or Letters of Credit are outstanding, the Majority Lenders shall be the Lenders holding fifty-one percent (51%) of the outstanding principal amount of Competitive Bid Loans on such date.

MATERIAL ADVERSE EFFECT. Any event or occurrence of whatever nature which: (a) has a material adverse effect on the business, properties, operations or financial condition of (i) the Borrower or (ii) MCRC or (iii) the Borrower, the Guarantors and their respective Subsidiaries, taken as a whole, (b) has a material adverse effect on the ability of the Borrower or any Guarantor to perform its payment and other material obligations under any of the Loan Documents, or (c) causes a material impairment of the validity or enforceability of any of the Loan Documents or any material impairment of the rights, remedies and benefits available to the Administrative Agent and the Lenders under any of the Loan Documents.

MATURITY DATE. June 22, 2003, or such earlier date on which the Loans shall become due and payable pursuant to the terms thereof. The Borrower may, by notice to the Administrative Agent given at least one hundred twenty (120) days prior to the Maturity Date, extend the Maturity Date for one (1) year, PROVIDED that no Default or Event of Default shall have occurred and be continuing and that the Borrower pay an aggregate extension fee equal to 0.25% of the then existing Total Commitment.

MAXIMUM DRAWING AMOUNT. The maximum aggregate amount that the beneficiaries may at any time draw under outstanding Letters of Credit, as such maximum aggregate amount may be reduced from time to time pursuant to the terms of the Letters of Credit.

MCRC GUARANTY. The Guaranty reaffirmed as of the date hereof made by MCRC in favor of the Administrative Agent and the Lenders pursuant to which MCRC guarantees to the Administrative Agent and the Lenders the unconditional payment and performance of the Obligations.

MOODY'S. Moody's Investors Service, Inc., and its successors.

MULTIEMPLOYER PLAN. Any multiemployer plan within the meaning of Section 3(37) of ERISA maintained or contributed to by the Borrower or any Guarantor as the case may be or any ERISA Affiliate.

NON-MATERIAL BREACH. A (i) breach of a representation or warranty or covenant contained in Section 6 or Section 7 (other than Section 7.1), (ii) a breach of any other representation or warranty or covenant as to which such term "Non-Material

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Breach" is specifically applied, or (iii) a Permitted Event; but only to the extent any such breach under (i) or (ii) or an event under (iii) (other than Section 7.1), neither (A) singularly or in conjunction with any other existing breaches or (iii) events, materially adversely affect the business, properties or financial condition of (x) MCRC; (y) MCRLP; or (z) the Borrower, the Guarantors and their Subsidiaries, taken as whole nor (B) singularly or in conjunction with any other existing breaches or (iii)

events, materially adversely affect the ability of (x) MCRC; (y) MCRLP; or (z) the Borrower, the Guarantors and their Subsidiaries, taken as a whole, to fulfill the obligations to the Lenders under the Loans (including, without limitation, the repayment of all amounts outstanding under the Loans, together with interest and charges thereon, when first due) nor (C) has been identified in this Agreement specifically as a matter that does not constitute a Non-Material Breach. During the continuance of any Permitted Event, the Real Estate (including Unencumbered Property) and other assets of any affected Guarantor shall be excluded from asset (but not liability) and income (but not loss) calculation under Section 9 which exclusions shall be evidenced in all compliance certificates provided as required by this Agreement.

A breach or event which may constitute a Non-Material Breach shall be identified when first known to the Borrower, any Guarantor or Subsidiary on the next compliance certificate required to be delivered to the Lenders pursuant to the terms of this Agreement; PROVIDED that the identification of such breach or event as a Non-Material Breach by the Borrower, any Guarantor or any Subsidiary shall not be binding on the Lenders.

NOTES. The Revolving Credit Notes and the Competitive Bid Notes.

OBLIGATIONS. All indebtedness, obligations and liabilities of the Borrower and its Subsidiaries to any of the Lenders and the Administrative Agent, individually or collectively, under this Agreement or any of the other Loan Documents or in respect of any of the Loans or the Notes or Reimbursement Obligations incurred or the Letter of Credit Applications or the Letters of Credit or other instruments at any time evidencing any thereof, whether existing on the date of this Agreement or arising or incurred hereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise.

OPERATING SUBSIDIARIES. Those Subsidiaries of the Borrower that, at any time of reference, provide management, construction, design or other services (excluding any such Subsidiary which may provide any such services which are only incidental to that Subsidiary's ownership of one or more Real Estate), and any successors or assigns of their respective businesses and/or assets which are Subsidiaries of the Borrower or the Guarantors.

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OPPORTUNITY FUND. An investment made by the Borrower, any Guarantor or any Subsidiary which has been or is designated at the time of investment by the Borrower from time to time as an "Opportunity Fund" (including an investment company); PROVIDED that (a) such investment would not jeopardize MCRC's status as a REIT, (b) subject to the next sentence, such investment is Without Recourse to the Person making such investment and the liability of the Person making such investment is limited solely (including in any insolvency proceeding affecting such Person) to the amount so invested, (c) if the Person making such investment exercises any management or control responsibilities, such management and/or control shall be exercised through a so-called "bankruptcy-remote entity" and (d) such investment complies with the requirements of Section 9.8(b) hereof. Notwithstanding anything contained in the foregoing definition to the contrary, an investment may still be an Opportunity Fund if it provides for (i) guaranties of completion, (ii) guaranties of payment (which shall be included in Consolidated Total Liabilities), (iii) environmental guaranties and indemnities, and/or (iv) other typical recourse carve-outs from otherwise long-term, non-recourse debt, such as for fraud, waste, misappropriation of proceeds and material misrepresentations.

ORIGINAL AGREEMENT. As defined in the recitals.

PARTIALLY-OWNED ENTITY(IES). Any of the partnerships, joint ventures and other entities owning real estate assets (other than an Opportunity Fund) in which MCRLP and/or MCRC collectively, directly or indirectly through its full or partial ownership of another entity, own less than 100% of the equity interests, whether or not such entity is required in accordance with GAAP to be consolidated with MCRLP for financial reporting purposes.

PBGC. The Pension Benefit Guaranty Corporation created by Section 4002 of ERISA and any successor entity or entities having similar responsibilities.

PERMITS. All governmental permits, licenses, and approvals necessary for the lawful operation and maintenance of the Real Estate.

PERMITTED EVENT. The exclusion of a Guarantor (other than MCRC) or any other Subsidiary or Operating Subsidiary as a Credit Party by the Borrower solely for the purposes of the proceedings of a bankruptcy filed by or against such Person and involving for all creditors of such bankruptcy a total Indebtedness which is in an amount permitted within Section 12.1(f) (i) cumulatively with any other then pending Permitted Event or other matter affecting Section 12.1(f) (i). For purposes of a Permitted Event, the term "bankruptcy" shall include all actions or proceedings described in Section

12.1(g) or Section 12.1(h). The Borrower may exercise the provisions of Section 12.1 (last paragraph) for Permitted

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Event(s) provided such exercise shall not allow for a breach of the limitation on Permitted Events relating to Section 12.1(f) (i) or otherwise cause a Default or Event of Default.

PERMITTED LIENS. Liens, security interests and other encumbrances permitted by Section 8.2.

PERSON. Any individual, corporation, partnership, trust, unincorporated association, business, or other legal entity, and any government (or any governmental agency or political subdivision thereof).

PROJECT COSTS. With respect to Construction-In-Process, the actual project cost of such Construction-In-Process shown on schedules submitted to the Administrative Agent from time to time; PROVIDED that for Construction-In-Process owned by any Partially-Owned Entity, the Project Cost of such Construction-In-Process shall be the Borrower's or its subsidiaries' pro-rata share of the actual project cost of such Construction-In-Process (based on the greater of (x) the Borrower's or its subsidiaries' percentage equity interest in such Partially-Owned Entity or (y) the Borrower's or its subsidiaries' obligation to provide, or liability for providing, funds to such Partially-Owned Entity).

PSC. Prudential Securities Credit Corporation, and its successors and assigns.

PUBLIC DEBT. Unsecured Indebtedness, not subordinated to the Obligations (or to the holders thereof), issued by the Borrower and which is either (a) in offerings registered under the Securities Act of 1933, as amended, or in transactions exempt from registration pursuant to rule 144A or Regulation B thereunder or listed on non-U.S. securities exchanges or (b) pursuant to the Indenture dated as of March 16, 1999 by and between the Borrower, MCRC and Wilmington Trust Company, a Delaware banking corporation as trustee (the "Trustee"), as supplemented by Supplemental Indenture No. 1 dated as of the same date between the Borrower and the Trustee, and by Supplemental Indenture No. 2 dated as of August 2, 1999 between the Borrower and the Trustee, and as the Indenture may be further supplemented and/or amended from time to time.

RCRA. See Section 6.18.

REAL ESTATE. The fixed and tangible properties consisting of land, buildings and/or other improvements owned or ground-leased as a lessee by the Borrower, by any Guarantor or by any other entity in which the Borrower is the holder of an equity interest at the relevant time of reference thereto, including, without limitation, (i) the Unencumbered Properties at such time of reference,

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and (ii) the real estate assets owned or ground-leased as a lessee by each of the Partially-Owned Entities at such time of reference.

RECORD. The grid attached to any Note, or the continuation of such grid, or any other similar record, including computer records, maintained by any Lender with respect to any Loan.

RECOURSE. With reference to any obligation or liability, any liability or obligation that is not Without Recourse to the obligor thereunder, directly or indirectly. For purposes hereof, a Person shall not be deemed to be "indirectly" liable for the liabilities or obligations of an obligor solely by reason of the fact that such Person has an ownership interest in such obligor, PROVIDED that such Person is not otherwise legally liable, directly or indirectly, for such obligor's liabilities or obligations (e.g., by reason of a guaranty or contribution obligation, by operation of law or by reason of such Person's being a general partner of such obligor).

REIMBURSEMENT OBLIGATION. The Borrower's obligation to reimburse the Lenders and the Administrative Agent and the Fronting Bank on account of any drawing under any Letter of Credit as provided in Section 3.2. Notwithstanding the foregoing, unless the Borrower shall notify the Administrative Agent of its intent to repay the Reimbursement Obligation on the date of the related drawing under any Letter of Credit as provided in Section 3.2, such Reimbursement Obligation shall simultaneously with such drawing be converted to and become a Alternate Base Rate Loan as set forth in Section 3.3.

REIT. A "real estate investment trust", as such term is defined in Section 856 of the Code.

RELEASE. See Section 6.18(c) (iii).

REQUIRED LENDERS. As of any date, the Lenders whose aggregate

Commitments constitute at least sixty-six and two-thirds percent (66-2/3%) of the Total Commitment; PROVIDED that if the Total Commitment has been terminated by the Lenders and no Revolving Credit Loans or Letters of Credit are outstanding, the Required Lenders shall be the Lenders holding sixty-six and two-thirds percent (66-2/3%) of the outstanding principal amount of the Competitive Bid Loans on such date.

REVISED ADJUSTED UNENCUMBERED PROPERTY NOI. With respect to any fiscal period for any Unencumbered Property, Adjusted Unencumbered Property NOI for such Unencumbered Property for such period; MINUS (a) interest income relating to such Unencumbered Property and (b) a management fee reserve in an amount equal to three percent (3%) of total revenue (after deduction of

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interest income of such Unencumbered Property for such period); PLUS (i) actual general and administrative expenses to the extent included in Adjusted Unencumbered Property NOI relating to such Unencumbered Property for such period and (ii) actual management fees relating to such Unencumbered Property for such period.

REVISED CONSOLIDATED ADJUSTED NET INCOME. For any period, Consolidated Adjusted Net Income for such period; MINUS (a) interest income and (b) a management fee reserve in an amount equal to three percent (3%) of consolidated total revenue (after deduction of interest income of MCRC, the Borrower and their respective Subsidiaries for such period), PLUS (i) actual general and administrative expenses for such period to the extent included in Consolidated Adjusted Net Income and (ii) actual management fees relating to Real Estate for such period.

REVOLVING CREDIT LIBOR RATE LOAN. A Revolving Credit Loan which is a LIBOR Rate Loan.

REVOLVING CREDIT LOAN(S). Each and every revolving credit loan made or to be made by the Lenders to the Borrower pursuant to Section 2.

REVOLVING CREDIT NOTES. Collectively, the separate promissory notes of the Borrower in favor of each Lender in substantially the form of EXHIBIT A hereto, in the aggregate principal amount of the Total Commitment, dated as of the date hereof or as of such later date as any Person becomes a Lender under this Agreement, and completed with appropriate insertions, as each of such notes may be amended and/or restated from time to time.

REVOLVING CREDIT NOTE RECORD. A Record with respect to the Revolving Credit Notes.

S&P. Standard & Poor's Ratings Group, a division of McGraw-Hill, Inc., and its successors.

SARA. See Section 6.18.

SEC FILINGS. Collectively, (a) the MCRC's Annual Report on Forms 10-K and 10-K/A for the year ended December 31, 1999, filed with the Securities and Exchange Commission (the "SEC") pursuant to the Securities and Exchange Act of 1934, as amended (the "EXCHANGE ACT"), and (b) MCRC's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2000 filed with the SEC pursuant to the Exchange Act.

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SUBSIDIARY. Any entity required to be consolidated with its direct or indirect parent in accordance with GAAP.

SUBSIDIARY. Any corporation, association, partnership, trust, or other business entity of which the designated parent shall at any time own directly, or indirectly through a Subsidiary or Subsidiaries, at least a majority (by number of votes or controlling interests) of the outstanding voting interests or at least a majority of the economic interests (including, in any case, the Operating Subsidiaries and any entity required to be consolidated with its designated parent in accordance with GAAP).

SUBSIDIARY GUARANTOR. Any Guarantor other than MCRC. The Subsidiary Guarantors on the Closing Date are listed on SCHEDULE SG hereto.

SUBSIDIARY GUARANTY. Each Guaranty made from time to time by a Subsidiary Guarantor in favor of the Administrative Agent and the Lenders in substantially the form of EXHIBIT B hereto, pursuant to which such Subsidiary Guarantor guarantees the unconditional payment and performance of the Obligations, as the same shall have been reaffirmed in accordance with Section 10.10 hereof for Subsidiary Guaranties executed prior to the date hereof.

SUBSIDIARY GUARANTY PROCEEDS. See Section 5.2.

SYNDICATION AGENT. Fleet National Bank.

SYNTHETIC LEASE. Any lease which is treated as an operating lease under GAAP and as a loan or financing for U.S. income tax purposes.

THIRD DEBT RATING. MCRLP's long term unsecured debt rating from a Third Rating Agency.

THIRD RATING AGENCY. Duff & Phelps, Fitch's or another nationally-recognized rating agency (other than S&P or Moody's) reasonably satisfactory to the Administrative Agent.

TITLE POLICIES. For each Unencumbered Property, an ALTA standard form title policy (or, if such form is not available, an equivalent form of title insurance policy) of a reasonably current date or endorsed down to a reasonably current date issued by a nationally-recognized title insurance company, insuring that the Borrower or a Subsidiary Guarantor holds good and clear marketable fee simple or leasehold title to such Unencumbered Property, subject only to Permitted Liens.

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TOTAL COMMITMENT. As of any date, the sum of the then-current Commitments of the Lenders, which shall not at any time exceed \$800,000,000, except as such amount may be increased pursuant to Section 2.2 hereof or reduced pursuant to Section 2.10 hereof.

TYPE. As to any Revolving Credit Loan, its nature as a Alternate Base Rate Loan or a LIBOR Rate Loan.

UNANIMOUS LENDER APPROVAL. The written consent of each Lender that is a party to this Agreement at the time of reference.

UNENCUMBERED PROPERTY. Any Real Estate located in the United States that on any date of determination: (a) is not subject to any Liens (including any such Lien imposed by the organizational documents of the owner of such asset, but excluding Permitted Liens), (b) is not the subject of a Disqualifying Environmental Event, (c) has been improved with a Building or Buildings which (1) have been issued a certificate of occupancy (where available) or is otherwise lawfully occupied for its intended use, and (2) are fully operational, including in each case, an Unencumbered Property that is being renovated and such renovation is proceeding to completion without undue delay from Permit denial, construction delays or otherwise, (d) is not in violation of the covenant set forth in Section 7.9 hereof, and (e) is wholly owned or ground-leased under an Eligible Ground Lease by the Borrower or a Guarantor that is a wholly-owned Subsidiary and has not been the subject of an event or occurrence that has had a Material Adverse Effect on such Guarantor

UNIFORM CUSTOMS. With respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, or any successor version thereof adopted by the Administrative Agent in the ordinary course of its business as a letter of credit issuer and in effect at the time of issuance of such Letter of Credit.

UNIMPROVED NON-INCOME PRODUCING LAND. Any Real Estate consisting of raw land which is unimproved by Buildings and does not generate any rental income or other income for MCRC or the Borrower or any of their respective Subsidiaries.

UNRESTRICTED CASH AND CASH EQUIVALENTS. As of any date of determination, the sum of (a) the aggregate amount of unrestricted cash then held by the Borrower or any of its Subsidiaries and (b) the aggregate amount of unrestricted cash equivalents (valued at fair market value) then held by the Borrower or any of its Subsidiaries. As used in this definition, (i) "unrestricted" means the specified asset is not subject to any Liens in favor of any Person and

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(ii) "cash equivalents" includes overnight deposits and also means that such asset has a liquid, par value in cash and is convertible to cash within 3 months. Notwithstanding anything contained herein to the contrary, the term Unrestricted Cash and Cash Equivalents shall not include the Commitments of the Lenders to make Loans under this Agreement or any other commitments from which the access to such cash or cash equivalents would create Indebtedness.

UNSECURED INDEBTEDNESS. All Indebtedness of any Person that is not secured by a Lien on any asset of such Person.

UPFRONT FEE. See Section 2.4(e).

WHOLLY-OWNED SUBSIDIARY. Any Subsidiary (a) of which MCRLP and/or MCRC shall at any time own directly or indirectly through a Subsidiary or Subsidiaries at least a controlling majority (by number of votes or controlling interests) of the outstanding voting interests and one hundred percent (100%) of

the economic interests, of which at least ninety-five percent (95%) of the economic interests shall be owned by MCRLP and (b) of which MCRC directly or indirectly (through wholly-owned Subsidiaries) acts as sole general partner or managing member; PROVIDED that the Subsidiary Guarantors shall be wholly-owned Subsidiaries.

"WITHOUT RECOURSE" or "WITHOUT RECOURSE". With reference to any obligation or liability, any obligation or liability for which the obligor thereunder is not liable or obligated other than as to its interest in a designated Real Estate or other specifically identified asset only, subject to such limited exceptions to the non-recourse nature of such obligation or liability, such as fraud, misappropriation, misapplication and environmental indemnities, as are usual and customary in like transactions involving institutional lenders at the time of the incurrence of such obligation or liability.

Section 1.2 RULES OF INTERPRETATION.

(i) A reference to any document or agreement shall include such document or agreement as amended, modified or supplemented from time to time in accordance with its terms (and so amended, modified or supplemented in accordance with this Agreement) or the terms of this Agreement.

(ii) The singular includes the plural and the plural includes the singular.

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(iii) A reference to any law includes any amendment or modification to such law.

(iv) A reference to any Person includes its permitted successors and permitted assigns.

(v) Accounting terms (a) not otherwise defined herein have the meanings assigned to them by GAAP applied on a consistent basis by the accounting entity to which they refer and (b) shall not provide for double counting of items included within such term.

(vi) The words "include", "includes" and "including" are not limiting.

(vii) All terms not specifically defined herein or by GAAP, which terms are defined in the Uniform Commercial Code as in effect in New York, have the meanings assigned to them therein.

(viii) Reference to a particular "Section" refers to that Section of this Agreement unless otherwise indicated.

(ix) The words "herein", "hereof", "hereunder" and words of like import shall refer to this Agreement as a whole and not to any particular Section or subdivision of this Agreement.

(x) Any provision granting any right to the Borrower or any Guarantor during the continuance of (a) an Event of Default shall not modify, limit, waive or estopp the rights of the Lenders during the continuance of such Event of Default, including the rights of the Lenders to accelerate the Loans under Section 12.1 and the rights of the Lenders under Sections 12.2 or 12.3, or (b) a Default, shall not extend the time for curing same or modify any otherwise applicable notice regarding same.

(xi) As applied to Real Estate, the word "owns" includes the ownership of the fee interest in such Real Estate or the tenant's interest in a ground lease of such Real Estate.

Section 2. THE REVOLVING CREDIT FACILITY.

Section 2.1. COMMITMENT TO LEND. Subject to the provisions of Section 2.5 and the other terms and conditions set forth in this Agreement, each of the Lenders severally agrees to lend to the Borrower and the Borrower may borrow, repay, and reborrow from each Lender from time to time from the Closing Date up to but not including the Maturity Date upon notice by the Borrower to the

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Administrative Agent given in accordance with Section 2.5 hereof, such sums as are requested by the Borrower up to a maximum aggregate principal amount outstanding (after giving effect to all amounts requested) at any one time equal to such Lender's Commitment minus such Lender's Commitment Percentage of the Maximum Drawing Amount; PROVIDED that the sum of the outstanding amount of the Revolving Credit Loans (after giving effect to all amounts

requested) and the Competitive Bid Loans PLUS the Maximum Drawing Amount shall not at any time exceed the Total Commitment in effect at such time.

The Revolving Credit Loans shall be made pro rata in accordance with each Lender's Commitment Percentage. Each request for a Revolving Credit Loan made pursuant to Section 2.5 hereof shall constitute a representation and warranty by the Borrower that the conditions set forth in Section 10 have been satisfied as of the Closing Date and that the conditions set forth in Section 11 have been satisfied on the date of such request and will be satisfied on the proposed Drawdown Date of the requested Revolving Credit Loan, PROVIDED that the making of such representation and warranty by the Borrower shall not limit the right of any Lender not to lend if such conditions have not been met. No Revolving Credit Loan shall be required to be made by any Lender unless all of the conditions contained in Section 10 have been satisfied as of the Closing Date and all of the conditions set forth in Section 11 have been met at the time of any request for a Revolving Credit Loan. Notwithstanding the foregoing, the Borrower shall be able to borrow under this Agreement during the occurrence of a Default or an Event of Default arising solely from the Borrower's failure to comply with the provisions of Section 7.22 if such borrowing is to cure, and will cure, such Default or Event of Default without causing any other Default or Event of Default.

Section 2.2. INCREASE OF TOTAL COMMITMENT. Unless a Default or an Event of Default has occurred and is continuing, the Borrower, by written notice to the Administrative Agent, may request on up to four (4) occasions during the term of this Agreement that the Total Commitment be increased by an amount not less than \$25,000,000 per request and not more than \$200,000,000 in the aggregate (such that the Total Commitment after such increase shall never exceed \$1,000,000,000); PROVIDED that for any such request (a) the Borrower shall not have requested the one-year extension of the Maturity Date pursuant to the definition thereof, (b) any Lender which is a party to this Agreement prior to such request for increase, at its sole discretion, may elect to increase its Commitment but shall not have any obligation to so increase its Commitment, and (c) in the event that each Lender does not elect to increase its Commitment, the Arrangers shall use commercially reasonable efforts to locate additional lenders willing to hold commitments for the requested increase, and the Borrower may also identify additional lenders willing to hold commitments for the requested increase, PROVIDED that the Administrative Agent shall have the right to approve any such additional lender, which approval will not be

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unreasonably withheld or delayed. In the event that lenders commit to any such increase, the Total Commitment and the Commitments of the committed Lenders shall be increased, the Commitment Percentages of the Lenders shall be adjusted, new Notes shall be issued, the Borrower shall make such borrowings and repayments as shall be necessary to effect the reallocation of the Commitments, and other changes shall be made to the Loan Documents as may be necessary to reflect the aggregate amount, if any, by which Lenders have agreed to increase their respective Commitments or make new Commitments in response to the Borrower's request for an increase in the Total Commitment pursuant to this Section 2.2, in each case without the consent of the Lenders other than those Lenders increasing their Commitments. The fees payable by the Borrower upon any such increase in the Total Commitment shall be agreed upon by the Arrangers and the Borrower at the time of such increase.

Notwithstanding the foregoing, nothing in this Section 2.2 shall constitute or be deemed to constitute an agreement by any Lender to increase its Commitment hereunder.

Section 2.3. THE REVOLVING CREDIT NOTES. The Revolving Credit Loans shall be evidenced by the Revolving Credit Notes. Return and cancellation of the "Notes" under the Original Agreement and issuance of initial Revolving Credit Notes under this Agreement shall be governed by Section 27 hereof. A Revolving Credit Note shall be payable to the order of each Lender in an aggregate principal amount equal to such Lender's Commitment. The Borrower irrevocably authorizes each Lender to make or cause to be made, at or about the time of the Drawdown Date of any Revolving Credit Loan or at the time of receipt of any payment of principal on such Lender's Revolving Credit Notes, an appropriate notation on such Lender's Revolving Credit Note Record reflecting the making of such Revolving Credit Loan or (as the case may be) the receipt of such payment. The outstanding amount of the Revolving Credit Loans set forth on such Lender's Revolving Credit Note Record shall be PRIMA FACIE evidence of the principal amount thereof owing and unpaid to such Lender, but the failure to record, or any error in so recording, any such amount on such Lender's Revolving Credit Note Record shall not limit or otherwise affect the obligations of the Borrower hereunder or under any Revolving Credit Note to make payments of principal of or interest on any Revolving Credit Note when due. The Administrative Agent hereby agrees to provide the Borrower with a statement concerning the outstanding amount of the Revolving Credit Loans, in reasonable detail, on a monthly basis. Although each Revolving Credit Note shall be dated the Closing Date, interest in respect thereof shall be payable only for the periods during which the Revolving Credit Loans evidenced thereby to the Borrower are outstanding, and although the stated amount of such Revolving Credit Notes shall be equal to

the Total Commitment as of the date hereof, such Revolving Credit Notes shall be enforceable, with respect to

obligations of the Borrower to pay the principal amount thereof, only to the extent of the unpaid principal amount of the Revolving Credit Loans to them as of any date of determination.

Section 2.4. INTEREST ON REVOLVING CREDIT LOANS; FEES.

(a) INTEREST ON ALTERNATE BASE RATE LOANS. Except as otherwise provided in Section 4.9, each Alternate Base Rate Loan shall bear interest for the period commencing with the Drawdown Date thereof and ending on the last day of the Interest Period with respect thereto (unless earlier paid in accordance with Section 2.9) at a rate equal to the Alternate Base Rate PLUS the Applicable Margin for Alternate Base Rate Loans, if any.

(b) INTEREST ON REVOLVING CREDIT LIBOR RATE LOANS. Except as otherwise provided in Section 4.9, each Revolving Credit LIBOR Rate Loan shall bear interest for the period commencing with the Drawdown Date thereof and ending on the last day of the Interest Period with respect thereto (unless earlier paid in accordance with Section 2.9) at a rate equal to the LIBOR Rate determined for such Interest Period PLUS the Applicable Margin for Revolving Credit LIBOR Rate Loans.

(c) INTEREST PAYMENTS. The Borrower unconditionally promises to pay interest on each Revolving Credit Loan in arrears on each Interest Payment Date with respect thereto.

(d) ADVISORY AND STRUCTURING FEE. The Borrower agrees to pay to the Administrative Agent, the Syndication Agent and the Arrangers that certain fee (the "ADVISORY AND STRUCTURING FEE") as set forth in that certain letter agreement dated as of April 25, 2000 between the Borrower, the Administrative Agent, the Syndication Agent and the Arrangers (the "FEE LETTER").

(e) UPFRONT FEE. The Borrower agrees to pay to the Administrative Agent on the Closing Date for the accounts of the Lenders in accordance with their respective Commitment Percentages, a fee (the "UPFRONT FEE") as set forth in the Fee Letter.

(f) FACILITY FEE. The Borrower agrees to pay to the Administrative Agent, for the account of the Lenders based on their respective Commitment Percentages, a fee (the "FACILITY FEE") which is a percentage per annum of the Total Commitment and which varies based on the Borrower's debt ratings as set forth in the following table:

<TABLE>
<CAPTION>

	S&P RATING -----	MOODY'S RATING -----	THIRD RATING -----	FACILITY FEE PERCENTAGE -----
<S>	No rating or less than BBB-	<C> No rating or less than Baa3	<C> No rating or less than BBB-/Baa3 equivalent	<C> 0.30%
	BBB-	Baa3	BBB-/Baa3 equivalent	0.20%
	BBB	Baa2	BBB/Baa2 equivalent	0.20%
	BBB+	Baa1	BBB+/Baa1 equivalent	0.175%
	A- or higher	A3 or higher	A-/A3 equivalent or higher	0.15%

</TABLE>

Such fee shall be payable quarterly, in arrears, on the fifteenth (15th) day of each January, April, July, and October, or, if all of the Commitments are terminated pursuant to the terms hereof, such fee shall be prorated to such termination date from the last date of payment thereof.

(g) ADMINISTRATIVE FEE. The Borrower shall pay to the Administrative Agent a fee (the "ADMINISTRATIVE FEE") as set forth in the Fee Letter.

Section 2.5. REQUESTS FOR REVOLVING CREDIT LOANS.

The following provisions shall apply to each request by the Borrower for a Revolving Credit Loan:

(i) The Borrower shall submit a Completed Revolving Credit

Loan Request to the Administrative Agent as provided in this Section 2.5. Except as otherwise provided herein, each Completed Revolving Credit Loan Request shall be in a minimum amount of \$2,000,000 or an integral multiple of \$500,000 in excess thereof. Each Completed Revolving Credit Loan Request shall be irrevocable and binding on the Borrower and shall obligate the Borrower to accept the Revolving Credit Loans requested from the Lenders on the proposed Drawdown Date, unless such Completed Revolving Credit Loan Request is withdrawn (x) in the case of a request for a Revolving Credit LIBOR Rate Loan, at least three (3) Business Days prior to the proposed Drawdown Date for such Revolving Credit Loan, and (y) in the case of a request for an Alternate Base Rate Loan, at least one (1) Business Day prior to the proposed Drawdown Date for such Revolving Credit Loan.

(ii) Each Completed Revolving Credit Loan Request may be delivered by the Borrower to the Administrative Agent by 12:00 p.m. noon

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(New York City time) on any Business Day, and at least one (1) Business Day prior to the proposed Drawdown Date of any Alternate Base Rate Loan, and at least three (3) Business Days prior to the proposed Drawdown Date of any Revolving Credit LIBOR Rate Loan.

(iii) Each Completed Revolving Credit Loan Request shall include a completed writing in the form of EXHIBIT C hereto specifying: (1) the principal amount of the Revolving Credit Loan requested, (2) the proposed Drawdown Date of such Revolving Credit Loan, (3) the Interest Period applicable to such Revolving Credit Loan, and (4) the Type of such Revolving Credit Loan being requested.

(iv) No Lender shall be obligated to fund any Revolving Credit Loan unless:

(a) a Completed Revolving Credit Loan Request has been timely received by the Administrative Agent as provided in subsection (i) above; and

(b) both before and after giving effect to the Revolving Credit Loan to be made pursuant to the Completed Revolving Credit Loan Request, all of the conditions contained in Section 10 shall have been satisfied as of the Closing Date and all of the conditions set forth in Section 11 shall have been met, including, without limitation, the condition under Section 11.1 that there be no Default or Event of Default under this Agreement (PROVIDED that notwithstanding the foregoing, the Borrower shall be able to borrow under this Agreement during the occurrence of a Default or an Event of Default arising solely from the Borrower's failure to comply with the provisions of Section 7.22 if such borrowing is to cure, and will cure, such Default or Event of Default without causing any other Default or Event of Default); and

(c) the Administrative Agent shall have received a certificate in the form of EXHIBIT D hereto signed by the chief financial officer or treasurer or vice president of finance or other thereon designated officer of the Borrower setting forth computations evidencing compliance with the covenants contained in Sections 9.1 and 9.6 on a PRO FORMA basis after giving effect to such requested Revolving Credit Loan (including, to the extent necessary to evidence compliance thereunder, the estimated results for all Real Estate to be acquired with the proceeds of such requested Revolving Credit Loan), and, certifying that, both before and after giving effect to such requested Revolving Credit Loan, no Default or Event of Default exists or will exist under this Agreement or any

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other Loan Document (other than a Default or Event of Default arising solely from the Borrower's failure to comply with Section 7.22 as permitted in the proviso at the end of clause (b) above), and that after taking into account such requested Revolving Credit Loan, no Default or Event of Default will exist as of the Drawdown Date or thereafter.

(v) The Administrative Agent will cause the Completed Revolving Credit Loan Request (and the Certificate in the form of EXHIBIT D) to be delivered to each Lender in accordance with Section 14.12 and in any event on the same day that a Completed Revolving Credit Loan Request is received by the Administrative Agent (in the case of an Alternate Base Rate Loan) and on the same day or the Business Day following the day a Completed Revolving Credit Loan

Request is received by the Administrative Agent (in the case of a Revolving Credit LIBOR Rate Loan).

Section 2.6. CONVERSION OPTIONS.

(a) The Borrower may elect from time to time by delivering a Conversion Request in the form of EXHIBIT L to convert any outstanding Revolving Credit Loan to a Revolving Credit Loan of another Type, PROVIDED that (i) with respect to any such conversion of a Revolving Credit LIBOR Rate Loan to a Alternate Base Rate Loan, the Borrower shall give the Administrative Agent at least three (3) Business Days prior written notice of such election; (ii) with respect to any such conversion of a Alternate Base Rate Loan to a Revolving Credit LIBOR Rate Loan, the Borrower shall give the Administrative Agent at least three (3) LIBOR Business Days prior written notice of such election; (iii) with respect to any such conversion of a Revolving Credit LIBOR Rate Loan into a Alternate Base Rate Loan, such conversion shall only be made on the last day of the Interest Period with respect thereto unless the Borrower pays the related LIBOR Breakage Costs at the time of such conversion and (iv) no Revolving Credit Loan may be converted into a Revolving Credit LIBOR Rate Loan when any Default or Event of Default has occurred and is continuing. All or any part of outstanding Revolving Credit Loans of any Type may be converted into a Revolving Credit Loan of another Type as provided herein, PROVIDED that any partial conversion shall be in an aggregate principal amount of \$2,000,000 or a integral multiple of \$500,000 in excess thereof. Each Conversion Request relating to the conversion of a Alternate Base Rate Loan to a Revolving Credit LIBOR Rate Loan shall be irrevocable by the Borrower.

(b) Any Revolving Credit Loan of any Type may be continued as such upon the expiration of the Interest Period with respect thereto (i) in the case of Alternate Base Rate Loans, automatically and (ii) in the case of

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Revolving Credit LIBOR Rate Loans by compliance by the Borrower with the notice provisions contained in Section 2.6(a) or (c); PROVIDED that no Revolving Credit LIBOR Rate Loan may be continued as such when any Default or Event of Default has occurred and is continuing but shall be automatically converted to a Alternate Base Rate Loan on the last day of the first Interest Period relating thereto ending during the continuance of any Default or Event of Default. The Administrative Agent shall notify the Lenders promptly when any such automatic conversion contemplated by this Section 2.6(b) is scheduled to occur.

(c) In the event that the Borrower does not notify the Administrative Agent of its election hereunder with respect to the continuation of any Revolving Credit LIBOR Rate Loan as such, the affected Revolving Credit LIBOR Rate Loan shall automatically be continued as a Revolving Credit LIBOR Rate Loan with an Interest Period of one (1) month at the end of the applicable Interest Period other than during the continuance of a Default or Event of Default, in which case it will be continued as a Alternate Base Rate Loan at the end of the applicable Interest Period. In such event, the Borrower shall be deemed to have requested a Revolving Credit LIBOR Rate Loan hereunder and shall be subject to all provisions of this Agreement relating to LIBOR Rate Loans, including, without limitation, those set forth in Sections 4.5, 4.6, and 4.8 hereof.

(d) The Borrower may not request or elect a Revolving Credit LIBOR Rate Loan pursuant to Section 2.5, elect to convert a Alternate Base Rate Loan to a Revolving Credit LIBOR Rate Loan pursuant to Section 2.6(a), elect to continue a Revolving Credit LIBOR Rate Loan pursuant to Section 2.6(b) or have continued a Revolving Credit LIBOR Rate Loan pursuant to Section 2.6(c) if, after giving effect thereto, there would be greater than twenty (20) Revolving Credit LIBOR Rate Loans then outstanding. Any Loan Request for a Revolving Credit LIBOR Rate Loan that would create greater than twenty (20) Revolving Credit LIBOR Rate Loans outstanding shall be deemed to be a Loan Request for a Alternate Base Rate Loan.

Section 2.7. FUNDS FOR REVOLVING CREDIT LOANS.

(a) Subject to the other provisions of this Section 2, not later than 12:00 p.m. (New York City time) on the proposed Drawdown Date of any Revolving Credit Loan, each of the Lenders will make available to the Administrative Agent, at the Administrative Agent's Head Office, in immediately available funds, the amount of such Lender's Commitment Percentage of the amount of the requested Revolving Credit Loan; PROVIDED that each Lender shall provide notice to the Administrative Agent of its intent not to make available its Commitment Percentage of any requested Revolving Credit Loan as soon as possible after receipt of any Completed Revolving Credit Loan

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Request, and in any event not later than 4:00 p.m. (New York City time) on (x) the Business Day prior to the Drawdown Date of any requested Alternate

Base Rate Loan and (y) the third Business Day prior to the Drawdown Date of any requested Revolving Credit LIBOR Rate Loan. Upon receipt from each Lender of such amount, the Administrative Agent will make available to the Borrower, in the Borrower's account with the Administrative Agent or as otherwise directed to the Administrative Agent by the Borrower, the aggregate amount of such Revolving Credit Loan made available to the Administrative Agent by the Lenders; all such funds received by the Administrative Agent by 12:00 p.m. (New York City time) on any Business Day will be made available to the Borrower not later than 2:00 p.m. on the same Business Day. Funds received after such time will be made available by not later than 12:00 p.m. on the next Business Day. The Administrative Agent hereby agrees to promptly provide the Borrower with a statement confirming the particulars of each Revolving Credit LIBOR Rate Loan, in reasonable detail, when each such Loan is made. The failure or refusal of any Lender to make available to the Administrative Agent at the aforesaid time and place on any Drawdown Date the amount of its Commitment Percentage of the requested Revolving Credit Loan shall not relieve any other Lender from its several obligation hereunder to make available to the Administrative Agent the amount of its Commitment Percentage of any requested Revolving Credit Loan but in no event shall the Administrative Agent (in its capacity as Administrative Agent) have any obligation to make any funding or shall any Lender be obligated to fund more than its Commitment Percentage of the requested Revolving Credit Loan or to increase its Commitment Percentage on account of such failure or otherwise.

(b) The Administrative Agent may, unless notified to the contrary by any Lender prior to a Drawdown Date, assume that such Lender has made available to the Administrative Agent on such Drawdown Date the amount of such Lender's Commitment Percentage of the Revolving Credit Loan to be made on such Drawdown Date, and the Administrative Agent may (but it shall not be required to), in reliance upon such assumption, make available to the Borrower a corresponding amount. If any Lender makes available to the Administrative Agent such amount on a date after such Drawdown Date, such Lender shall pay to the Administrative Agent on demand an amount equal to the product of (i) the average, computed for the period referred to in clause (iii) below, of the weighted average interest rate paid by the Administrative Agent for federal funds acquired by the Administrative Agent during each day included in such period, MULTIPLIED BY (ii) the amount of such Lender's Commitment Percentage of such Revolving Credit Loan, MULTIPLIED BY (iii) a fraction, the numerator of which is the number of days that elapsed from and including such Drawdown Date to the date on which the amount of such Lender's Commitment Percentage of such Revolving Credit Loan shall become immediately available to the Administrative Agent, and the denominator of which is 360. A statement of

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the Administrative Agent submitted to such Lender with respect to any amounts owing under this paragraph shall be PRIMA FACIE evidence of the amount due and owing to the Administrative Agent by such Lender. If the amount of such Lender's Commitment Percentage of such Revolving Credit Loans is not made available to the Administrative Agent by such Lender within three (3) Business Days following such Drawdown Date, the Administrative Agent shall be entitled to recover such amount from the Borrower on demand, with interest thereon at the rate per annum applicable to the Revolving Credit Loans made on such Drawdown Date.

Section 2.8. REPAYMENT OF THE REVOLVING CREDIT LOANS AT MATURITY.

The Borrower promises to pay on the Maturity Date, and there shall become absolutely due and payable on the Maturity Date, all unpaid principal of the Revolving Credit Loans outstanding on such date, together with any and all accrued and unpaid interest thereon, the unpaid balance of the Commitment Fee or Facility Fee accrued through such date, and any and all other unpaid amounts due under this Agreement, the Revolving Credit Notes or any other of the Loan Documents.

Section 2.9. OPTIONAL REPAYMENTS OF REVOLVING CREDIT LOANS. The

Borrower shall have the right, at its election, to prepay the outstanding amount of the Revolving Credit Loans, in whole or in part, at any time without penalty or premium; PROVIDED that the outstanding amount of any Revolving Credit LIBOR Rate Loans may not be prepaid unless the Borrower pays any LIBOR Breakage Costs for each Revolving Credit LIBOR Rate Loan so prepaid at the time of such prepayment. The Borrower shall give the Administrative Agent, no later than 11:00 a.m., New York City time, at least one (1) Business Day's prior written notice of any prepayment pursuant to this Section 2.9 of any Alternate Base Rate Loans, and at least three (3) LIBOR Business Days' notice of any proposed prepayment pursuant to this Section 2.9 of Revolving Credit LIBOR Rate Loans, specifying the proposed date of prepayment of Revolving Credit Loans and the principal amount to be prepaid. Each such partial prepayment shall be in an amount of \$2,000,000 or integral multiple of \$500,000 in excess thereof or, if less, the outstanding balance of the Revolving Credit Loans then being repaid, shall be accompanied by the payment of all charges outstanding on all Revolving Credit Loans so prepaid and of all accrued interest on the principal prepaid to the date of payment, and shall be applied, in the absence of instruction by the Borrower, first to the principal of Alternate Base Rate Loans and then to the

principal of Revolving Credit LIBOR Rate Loans, at the Administrative Agent's option.

Section 2.10. REDUCTION OF TOTAL COMMITMENT. The Borrower shall have the right at any time and from time to time upon five (5) Business Days prior written notice to the Administrative Agent to reduce by \$10,000,000 or an

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integral multiple thereof or terminate entirely the unborrowed portion of the Total Commitment, whereupon the Commitments of the Lenders shall be reduced pro rata in accordance with their respective Commitment Percentages of the amount specified in such notice or, as the case may be, terminated. Promptly after receiving any notice of the Borrower delivered pursuant to this Section 2.10, the Administrative Agent will notify the Lenders of the substance thereof. Upon the effective date of any such reduction or termination, the Borrower shall pay to the Administrative Agent for the respective accounts of the Lenders the full amount of any Facility Fee then accrued on the amount of the reduction. No reduction of the Commitments may be reinstated.

Section 2A. COMPETITIVE BID LOANS.

Section 2A.1. THE COMPETITIVE BID OPTIONS. In addition to the Revolving Credit Loans made pursuant to Section 2 hereof, and provided that at the time of such request no Default or Event of Default has occurred and is continuing and MCRLP maintains an Investment Grade Credit Rating from two nationally-recognized rating agencies reasonably acceptable to the Administrative Agent (one of which must be Moody's or S&P so long as such Persons are in the business of providing debt ratings for the REIT industry), the Borrower may from time to time request Competitive Bid Loans pursuant to the terms of this Section 2A. The Lenders may, but shall have no obligation to, make such offers and the Borrower may, but shall have no obligation to, accept such offers in the manner set forth in this Section 2A. Notwithstanding any other provision herein to the contrary, at no time shall the aggregate principal amount of Competitive Bid Loans outstanding at any time exceed the lesser of (a) the Total Commitment minus the sum of (i) the aggregate outstanding principal amount of Revolving Credit Loans, plus (ii) the Maximum Drawing Amount of Letters of Credit outstanding at such time, or (b) \$350,000,000.

Section 2A.2. COMPETITIVE BID LOAN ACCOUNTS: COMPETITIVE BID NOTES.

(a) The obligation of the Borrower to repay the outstanding principal amount of any and all Competitive Bid Loans, plus interest at the applicable Competitive Bid Rate or the sum of the Competitive Bid Margin plus the applicable LIBOR Rate (as the case may be) accrued thereon, shall be evidenced by this Credit Agreement and by individual loan accounts (the "COMPETITIVE BID LOAN ACCOUNTS" and individually, a "COMPETITIVE BID LOAN ACCOUNT") maintained by the Administrative Agent on its books for each of the Lenders, it being the intention of the parties hereto that, except as provided for in paragraph (b) of this Section 2A.2, the Borrower's obligations with respect to Competitive Bid Loans are to be evidenced only as stated herein and not by separate promissory notes and shall hereby constitute an absolute promise to pay when due, without notice, demand, presentment or setoff.

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(b) Any Lender may at any time, and from time to time, request that any Competitive Bid Loans outstanding to such Lender be evidenced by a promissory note of the Borrower in substantially the form of EXHIBIT G hereto (each, a "COMPETITIVE BID NOTE"), dated as of the Closing Date and completed with appropriate insertions. One Competitive Bid Note shall be payable to the order of each Lender in an amount equal to the principal amount of the Competitive Bid Loan made by such Lender to the Borrower, and representing the obligation of the Borrower to pay such Lender such principal amount or, if less, the outstanding principal amount of any and all Competitive Bid Loans made by such Lender, plus interest at the applicable Competitive Bid Rate or the sum of the Competitive Bid Margin plus the applicable LIBOR Rate accrued thereon, as set forth herein. Upon execution and delivery by the Borrower of a Competitive Bid Note, the Borrower's obligation to repay any and all Competitive Bid Loans made to them by such Lender and all interest thereon shall thereafter be evidenced by such Competitive Bid Note.

(c) The Borrower irrevocably authorizes (i) each Lender to make or cause to be made, in connection with a Drawdown Date of any Competitive Bid Loan or at the time of receipt of any payment of principal on such Lender's Competitive Bid Note in the case of a Competitive Bid Note, and (ii) the Administrative Agent to make or cause to be made, in connection with a Drawdown Date of any Competitive Bid Loan or at the time of receipt of any payment of principal on such Lender's Competitive Bid Loan Account in the case of a Competitive Bid Loan Account, an appropriate notation on such Lender's records or on the schedule attached to such Lender's Competitive Bid Note or a continuation of such schedule attached thereto, or the Administrative Agent's records, as applicable, reflecting the making of the Competitive Bid Loan or the

receipt of such payment (as the case may be) and may, prior to any transfer of a Competitive Bid Note, endorse on the reverse side thereof the outstanding principal amount of Competitive Bid Loans evidenced thereby. The outstanding amount of the Competitive Bid Loans set forth on such Lender's record or the Administrative Agent's records, as applicable, shall be PRIMA FACIE evidence of the principal amount thereof owing and unpaid to such Lender, but the failure to record, or any error in so recording, any such amount shall not limit or otherwise affect the obligations of the Borrower hereunder to make payments of principal of or interest on any Competitive Bid Loan when due.

Section 2A.3. COMPETITIVE BID QUOTE REQUEST; INVITATION FOR COMPETITIVE BID QUOTES.

(a) When the Borrower wishes to request offers to make Competitive Bid Loans under this Section 2A, it shall transmit to the Administrative Agent by telex or facsimile a Competitive Bid Quote Request substantially in

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the form of EXHIBIT H hereto (a "COMPETITIVE BID QUOTE REQUEST") so as to be received no later than 11:00 a.m. (New York City time) (i) four (4) Business Days prior to the requested Drawdown Date in the case of a Competitive Bid Loan bearing interest calculated by reference to the LIBOR Rate (a "LIBOR COMPETITIVE BID LOAN") or (ii) one (1) Business Day prior to the requested Drawdown Date in the case of an Competitive Bid Loan bearing interest calculated by reference to a fixed rate of interest (an "ABSOLUTE COMPETITIVE BID LOAN"), specifying:

(A) the requested Drawdown Date (which must be a Business Day);

(B) the aggregate amount of such Competitive Bid Loans, which shall be \$5,000,000 or larger multiple of \$1,000,000;

(C) the duration of the Interest Period applicable thereto, subject to the provisions of the definition of Interest Period; and

(D) whether the Competitive Bid Quotes requested are for LIBOR Competitive Bid Loans or Absolute Competitive Bid Loans.

The Borrower may request offers to make Competitive Bid Loans for more than one Interest Period in a single Competitive Bid Quote Request. No new Competitive Bid Quote Request shall be given until the Borrower has notified the Administrative Agent of its acceptance or non-acceptance of the Competitive Bid Quotes relating to any outstanding Competitive Bid Quote Request.

(b) Promptly upon receipt of a Competitive Bid Quote Request, the Administrative Agent shall send to the Lenders by telecopy or facsimile transmission an Invitation for Competitive Bid Quotes substantially in the form of EXHIBIT I hereto, which shall constitute an invitation by the Borrower to each Lender to submit Competitive Bid Quotes in accordance with this Section 2A.

Section 2A.4. ALTERNATIVE MANNER OF PROCEDURE. If, after receipt by the Administrative Agent and each of the Lenders of a Competitive Bid Quote Request from the Borrower in accordance with Section 2A.3, the Administrative Agent or any Lender shall be unable to complete any procedure of the auction process described in Section 2A.5 through 2A.6 (inclusive) due to the inability of such Person to transmit or receive communications through the means specified therein, such Person may rely on telephonic notice for the transmission or receipt of such communications. In any case where such Person shall rely on telephone transmission or receipt, any communication made by telephone shall, as soon as possible thereafter, be followed by written confirmation thereof.

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Section 2A.5. SUBMISSION AND CONTENTS OF COMPETITIVE BID QUOTES.

(a) Each Lender may, but shall be under no obligation to, submit a Competitive Bid Quote containing an offer or offers to make Competitive Bid Loans in response to any Competitive Bid Quote Request. Each Competitive Bid Quote must comply with the requirements of this Section 2A.5 and must be submitted to the Administrative Agent by telex or facsimile transmission at its offices as specified in or pursuant to Section 19 not later than (i) 10:00 a.m. (New York City time) on the third LIBOR Business Day prior to the proposed Drawdown Date, in the case of a LIBOR Competitive Bid Loan or (ii) 10:00 a.m. (New York City time) on the proposed Drawdown Date, in the case of an Absolute Competitive Bid Loan, provided that Competitive Bid Quotes may be submitted by the Administrative Agent in its capacity as a Lender only if it submits its Competitive Bid Quote to the

Borrower not later than (x) one hour prior to the deadline for the other Lenders, in the case of a LIBOR Competitive Bid Loan or (y) 15 minutes prior to the deadline for the other Lenders, in the case of an Absolute Competitive Bid Loan. Subject to the provisions of Sections 10 and 11 hereof, any Competitive Bid Quote so made shall be irrevocable except with the written consent of the Administrative Agent given on the instructions of the Borrower.

(b) Each Competitive Bid Quote shall be in substantially the form of EXHIBIT J hereto and shall in any case specify:

(i) the proposed Drawdown Date;

(ii) the principal amount of the Competitive Bid Loan for which each proposal is being made, which principal amount (w) may be greater than or less than the Commitment of the quoting Lender, (x) must be \$1,000,000 or a larger multiple of \$500,000, (y) may not exceed the aggregate principal amount of Competitive Bid Loans for which offers were requested and (z) may be subject to an aggregate limitation as to the principal amount of Competitive Bid Loans for which offers being made by such quoting Lender may be accepted;

(iii) the Interest Periods for which Competitive Bid Quotes are being submitted;

(iv) in the case of a LIBOR Competitive Bid Loan, the margin above or below the applicable LIBOR Rate (the "COMPETITIVE BID MARGIN") offered for each such Competitive Bid Loan, expressed as a percentage (specified to the nearest 1/10,000th of 1%) to be added to or subtracted from such LIBOR Rate;

(v) in the case of an Absolute Competitive Bid Loan, the rate of interest per annum (specified to the nearest 1/10,000th of 1%) (the

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"COMPETITIVE BID RATE") offered for each such Absolute Competitive Bid Loan; and

(vi) the identity of the quoting Lender.

A Competitive Bid Quote may include up to five (5) separate offers by the quoting Lender with respect to each Interest Period specified in the related Invitation for Competitive Bid Quotes.

(c) Any Competitive Bid Quote shall be disregarded if it:

(i) is not substantially in the form of EXHIBIT J hereto;

(ii) contains qualifying, conditional or similar language;

(iii) proposes terms other than or in addition to those set forth in the applicable Invitation for Competitive Bid Quotes; or

(iv) arrives after the time set forth in Section 2A.5(a) hereof.

Section 2A.6. NOTICE TO BORROWER. The Administrative Agent shall promptly notify the Borrower of the terms (a) of any Competitive Bid Quote submitted by a Lender that is in accordance with Section 2A.5 and (b) of any Competitive Bid Quote that amends, modifies or is otherwise inconsistent with a previous Competitive Bid Quote submitted by such Lender with respect to the same Competitive Bid Quote Request. Any such subsequent Competitive Bid Quote shall be disregarded by the Administrative Agent unless such subsequent Competitive Bid Quote is submitted solely to correct a manifest error in such former Competitive Bid Quote and was received by the Administrative Agent within the time period required in Section 2A.5(a) for receipt of Competitive Bid Quotes. The Administrative Agent's notice to the Borrower shall specify (i) the aggregate principal amount of Competitive Bid Loans for which offers have been received for each Interest Period specified in the related Competitive Bid Quote Request, (ii) the respective principal amounts and Competitive Bid Margins or Competitive Bid Rates, as the case may be, so offered, and the identity of the respective Lenders submitting such offers, and (iii) if applicable, limitations on the aggregate principal amount of Competitive Bid Loans for which offers in any single Competitive Bid Quote may be accepted.

Section 2A.7. ACCEPTANCE AND NOTICE BY BORROWER AND ADMINISTRATIVE AGENT. Not later than 11:00 a.m. (New York City time) on (a) the third Business Day prior to the proposed Drawdown Date, in the case of a LIBOR Competitive Bid Loan or (b) the proposed Drawdown Date, in the case of an Absolute Competitive Bid Loan, the Borrower shall notify the Administrative

acceptance or non-acceptance of each Competitive Bid Quote in substantially the form of EXHIBIT K hereto. The Borrower may accept any Competitive Bid Quote in whole or in part; provided that:

(i) the aggregate principal amount of each Competitive Bid Loan may not exceed the applicable amount set forth in the related Competitive Bid Quote Request;

(ii) acceptance of offers may only be made on the basis of ascending Competitive Bid Margins or Competitive Bid Rates, as the case may be, and

(iii) the Borrower may not accept any offer that is described in subSection 2A.5(c) or that otherwise fails to comply with the requirements of this Agreement.

The Administrative Agent shall promptly notify each Lender which submitted a Competitive Bid Quote of the Borrower's acceptance or non-acceptance thereof. At the request of any Lender which submitted a Competitive Bid Quote and with the consent of the Borrower, the Administrative Agent will promptly notify all Lenders which submitted Competitive Bid Quotes of (a) the aggregate principal amount of, and (b) the range of Competitive Bid Rates or Competitive Bid Margins of, the accepted Competitive Bid Loans for each requested Interest Period.

Section 2A.8. ALLOCATION BY ADMINISTRATIVE AGENT. If offers are made by two (2) or more Lenders with the same Competitive Bid Margin or Competitive Bid Rate, as the case may be, for a greater aggregate principal amount than the amount in respect of which offers are accepted for the related Interest Period, the principal amount of Competitive Bid Loans in respect of which such offers are accepted shall be allocated by the Administrative Agent among such Lenders as nearly as possible (in such multiples, not less than \$1,000,000, as the Administrative Agent may deem appropriate) in proportion to the aggregate principal amounts of such offers. Determination by the Administrative Agent of the amounts of Competitive Bid Loans shall be conclusive in the absence of manifest error.

Section 2A.9. FUNDING OF COMPETITIVE BID LOANS. If, on or prior to the Drawdown Date of any Competitive Bid Loan, the Total Commitment has not terminated in full and if, on such Drawdown Date, the applicable conditions of Section 10 and 11 hereof are satisfied, and the Administrative Agent shall have received a certificate in the form of EXHIBIT D hereto, the Lender or Lenders whose offers the Borrower has accepted will fund each Competitive Bid Loan so accepted. Notwithstanding the foregoing, the Borrower shall be able to borrow

under this Agreement during the occurrence of a Default or an Event of Default arising solely from the Borrower's failure to comply with the provisions of Section 7.22 if such borrowing is to cure, and will cure, such Default or Event of Default without causing any other Default or Event of Default. Such Lender or Lenders will make such Competitive Bid Loans by crediting the Administrative Agent for further credit to the Borrower's specified account with the Administrative Agent, in immediately available funds not later than 1:00 p.m. (New York City time) on such Drawdown Date.

Section 2A.10. FUNDING LOSSES. If, after acceptance of any Competitive Bid Quote pursuant to Section 2A, the Borrower (a) fails to borrow any Competitive Bid Loan so accepted on the date specified therefor, or (b) repays the outstanding amount of the Competitive Bid Loan on or prior to the last day of the Interest Period relating thereto, the Borrower shall indemnify the Lender making such Competitive Bid Quote or funding such Competitive Bid Loan against any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund or maintain such unborrowed Loans, including, without limitation compensation as provided in Section 4.8.

Section 2A.11. REPAYMENT OF COMPETITIVE BID LOANS; INTEREST. The principal of each Competitive Bid Loan shall become absolutely due and payable by the Borrower on the last day of the Interest Period relating thereto, and the Borrower hereby absolutely and unconditionally promises to pay to the Administrative Agent for the account of the relevant Lenders at or before 1:00 p.m. (New York City time) on the last day of the Interest Periods relating thereto the principal amount of all such Competitive Bid Loans, plus interest thereon at the applicable Competitive Bid Rates or the sum of the Competitive Bid Margin plus the applicable LIBOR Rate (as the case may be). The Competitive Bid Loans shall bear interest at the rate per annum specified

in the applicable Competitive Bid Quotes. Interest on the Competitive Bid Loans shall be payable (a) on the last day of the applicable Interest Periods, and if any such Interest Period is longer than three months, also on the last day of the third month following the commencement of such Interest Period, and (b) on the Maturity Date for all Loans. Subject to the terms of this Credit Agreement, the Borrower may make Competitive Bid Quote Requests with respect to new borrowings of any amounts so repaid prior to the Maturity Date. The provisions of Section 2.6 shall not apply to Competitive Bid Loans.

Section 2A.12. OPTIONAL REPAYMENT OF COMPETITIVE BID LOANS. The Borrower shall have the right, at its election, to repay the outstanding amount of any of the Competitive Bid Loans, as a whole or in part, at any time without penalty or premium, PROVIDED that any full or partial prepayment of the outstanding amount of any Competitive Bid Loan pursuant to this Section 2A.12 may be made only on the last day of the Interest Period relating thereto, or, if made prior to such

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date, shall be made subject to the provisions of Section 2A.10 hereof. The Borrower shall give the Administrative Agent no less than three (3) Business Days notice of any proposed prepayment pursuant to this Section 2A.12, specifying the proposed date of prepayment of the Competitive Bid Loan and the principal amount to be prepaid. Each such partial prepayment of any Competitive Bid Loan shall be in an integral multiple of \$500,000, and shall be accompanied by the payment of accrued interest on the principal prepaid to the date of prepayment.

Section 3. LETTERS OF CREDIT.

Section 3.1. LETTER OF CREDIT COMMITMENTS.

Section 3.1.1. COMMITMENT TO ISSUE LETTERS OF CREDIT.

Subject to the terms and conditions hereof and the execution and delivery by the Borrower of a letter of credit application on the Fronting Bank's customary form as part of a Completed Revolving Credit Loan Request (a "LETTER OF CREDIT APPLICATION"), the Fronting Bank on behalf of the Lenders and in reliance upon the agreement of the Lenders set forth in Section 3.1.4 and upon the representations and warranties of the Borrower contained herein, agrees, in its individual capacity, to issue, extend and renew for the account of the Borrower one or more standby or documentary letters of credit (individually, a "LETTER OF CREDIT"), in such form as may be requested from time to time by the Borrower and reasonably agreed to by the Fronting Bank; PROVIDED, HOWEVER, that, after giving effect to such Completed Revolving Credit Loan Request, (a) the Maximum Drawing Amount shall not exceed \$100,000,000 at any one time, (b) the sum of (i) the Maximum Drawing Amount on all Letters of Credit and (ii) the amount of all Revolving Credit Loans and Competitive Bid Loans outstanding shall not exceed the Total Commitment in effect at such time, and (c) the total number of Letters of Credit outstanding shall not exceed twenty-five (25).

Section 3.1.2. LETTER OF CREDIT APPLICATIONS. Each Letter of Credit Application shall be completed to the reasonable satisfaction of the Administrative Agent and the Fronting Bank. In the event that any provision of any Letter of Credit Application shall be inconsistent with any provision of this Agreement (including provisions applicable to a Completed Revolving Credit Loan Request), then the provisions of this Agreement shall, to the extent of any such inconsistency, govern.

Section 3.1.3. TERMS OF LETTERS OF CREDIT. Each Letter of Credit issued, extended or renewed hereunder shall, among other things, (i) provide for the payment of sight drafts for honor thereunder when presented in accordance with the terms thereof and when accompanied by the documents described therein, and (ii) have an expiry date no later than the earlier of (x) one year from the date of issuance or (y) the date which is thirty (30) days prior to the Maturity

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Date. Each Letter of Credit so issued, extended or renewed shall be subject to the Uniform Customs.

Section 3.1.4. REIMBURSEMENT OBLIGATIONS OF LENDERS. Each Lender severally agrees that it shall be absolutely liable, without regard to the occurrence of any Default or Event of Default or any other condition precedent whatsoever, to the extent of such Lender's Commitment Percentage, to reimburse the Fronting Bank on demand pursuant to Section 3.3 for the amount of each draft paid by the Fronting Bank under each Letter of Credit to the extent that such amount is not reimbursed by the Borrower pursuant to Section 3.2 (such agreement for a Lender being called herein the "LETTER OF CREDIT PARTICIPATION" of such Lender).

Section 3.2. REIMBURSEMENT OBLIGATION OF THE BORROWER. In order to induce the Fronting Bank to issue, extend and renew each Letter of Credit and the Lenders to participate therein, the Borrower hereby agrees, except as contemplated in Section 3.3 below, to reimburse or pay to the Fronting Bank, for the account of the Fronting Bank or (as the case may be) the Lenders, with respect to each Letter of Credit issued, extended or renewed by the Fronting Bank hereunder,

(a) except as otherwise expressly provided in Section 3.2(b) or Section 3.3, on each date that any draft presented under such Letter of Credit is honored in accordance with its terms by the Fronting Bank, or the Fronting Bank otherwise makes a payment with respect thereto in accordance with applicable law, (i) the amount paid by the Fronting Bank under or with respect to such Letter of Credit, and (ii) any amounts payable pursuant to Section 4.5 hereof under, or with respect to, such Letter of Credit, and

(b) upon the termination of the Total Commitment, or the acceleration of the Reimbursement Obligations with respect to all Letters of Credit in accordance with Section 12, an amount equal to the then Maximum Drawing Amount on all Letters of Credit, which amount shall be held by the Administrative Agent as cash collateral for the benefit of the Fronting Bank, the Lenders and the Administrative Agent for all Reimbursement Obligations.

Each such payment shall be made to the Administrative Agent at the Administrative Agent's Head Office in immediately available funds. Interest on any and all amounts not converted to a Revolving Credit Loan pursuant to Section 3.3 and remaining unpaid by the Borrower under this Section 3.2 at any time from the date such amounts become due and payable (whether as stated in this Section 3.2, by acceleration or otherwise) until payment in full (whether before or after judgment) shall be payable to the Administrative Agent for the benefit of the Lenders on demand at the rate specified in Section 4.9 for overdue principal on the Revolving Credit Loans.

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Section 3.3. LETTER OF CREDIT PAYMENTS; FUNDING OF A LOAN. If any draft shall be presented or other demand for payment shall be made under any Letter of Credit, the Fronting Bank shall notify the Borrower and the Lenders of the date and amount of the draft presented or demand for payment and of the date and time when it expects to pay such draft or honor such demand for payment, and, except as provided in this Section 3.3, the Borrower shall reimburse Administrative Agent, as set forth in Section 3.2 above. Notwithstanding anything contained in Section 3.2 above or this Section 3.3 to the contrary, however, unless the Borrower shall have notified the Administrative Agent and the Fronting Bank prior to 11:00 a.m. (New York time) on the Business Day immediately prior to the date of such drawing that the Borrower intends to reimburse the Fronting Bank for the amount of such drawing with funds other than the proceeds of the Loans, the Borrower shall be deemed to have timely given a Completed Revolving Credit Loan Request pursuant to Section 2.5 to the Administrative Agent, requesting a Alternate Base Rate Loan on the date on which such drawing is honored and in an amount equal to the amount of such drawing. The Borrower may thereafter convert any such Alternate Base Rate Loan to a Revolving Credit Loan of another Type in accordance with Section 2.6. Each Lender shall, in accordance with Section 2.7, make available such Lender's Commitment Percentage of such Revolving Credit Loan to the Administrative Agent, the proceeds of which shall be applied directly by the Administrative Agent to reimburse the Fronting Bank for the amount of such draw. In the event that any Lender fails to make available to the Administrative Agent the amount of such Lender's Commitment Percentage of such Revolving Credit Loan on the date of the drawing, the Administrative Agent shall be entitled to recover such amount on demand from such Lender plus any additional amounts payable under Section 2.7(b) in the event of a late funding by a Lender. The Fronting Bank is irrevocably authorized by the Borrower and each of the Lenders to honor draws on each Letter of Credit by the beneficiary thereof in accordance with the terms of the Letter of Credit. The responsibility of the Fronting Bank to the Borrower and the Lenders shall be only to determine that the documents (including each draft) delivered under each Letter of Credit in connection with such presentment shall be in conformity in all material respects with such Letter of Credit.

Section 3.4. OBLIGATIONS ABSOLUTE. The Borrower's obligations under this Section 3 shall be absolute and unconditional under any and all circumstances and irrespective of the occurrence of any Default or Event of Default or any condition precedent whatsoever or any setoff, counterclaim or defense to payment which the Borrower may have or have had against the Administrative Agent, the Fronting Bank, any Lender or any beneficiary of a Letter of Credit. The Borrower further agrees with the Administrative Agent, the Fronting Bank and the Lenders that the Administrative Agent, the Fronting Bank and the Lenders shall not be responsible for, and the Borrower's Reimbursement Obligations

under Section 3.2 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon (so long as the documents delivered under each Letter of Credit in connection with such presentment shall be in the form required by, and in conformity in all material respects with, such Letter of Credit), even if such documents should in fact prove to be in any or all respects invalid, fraudulent or forged, or any dispute between or among any of the Borrower, the beneficiary of any Letter of Credit or any financing institution or other party to whom any Letter of Credit may be transferred, or any claims or defenses whatsoever of the Borrower against the beneficiary of any Letter of Credit or any such transferee. If done in good faith and absent gross negligence, the Administrative Agent, the Fronting Bank and the Lenders shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit. The Borrower agrees that any action taken or omitted by the Administrative Agent, the Fronting Bank or any Lender under or in connection with each Letter of Credit and the related drafts and documents, if done in good faith and absent gross negligence, shall be binding upon the Borrower and shall not result in any liability on the part of the Administrative Agent, the Fronting Bank or any Lender to the Borrower.

Section 3.5. RELIANCE BY ISSUER. To the extent not inconsistent with Section 3.4, the Administrative Agent and the Fronting Bank shall be entitled to rely, and shall be fully protected in relying upon, any Letter of Credit, draft, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, teletype, telex or teletype message, statement, order or other document believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel, independent accountants and other experts selected by the Administrative Agent or the Fronting Bank. The Administrative Agent and the Fronting Bank shall in all cases be fully protected by the Lenders in acting, or in refraining from acting, under this Section 3 in accordance with a request of the Majority Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon the Lenders and all future holders of the Notes or of a Letter of Credit Participation.

Section 3.6. LETTER OF CREDIT FEE. The Borrower shall pay to the Administrative Agent a fee (in each case, a "LETTER OF CREDIT FEE") in an amount equal to the Applicable L/C Percentage of the face amount of each outstanding Letter of Credit, which fee (a) shall be payable quarterly in arrears on the first day of each calendar quarter for the immediately preceding calendar quarter, with a final payment on the Maturity Date or any earlier date on which the Commitments shall terminate (which Letter of Credit Fee shall be pro-rated for any calendar quarter in which such Letter of Credit is issued, drawn upon or otherwise reduced or terminated) and (b) shall be for the accounts of the Lenders

as follows: (i) an amount equal to 0.125% per annum of the face amount of the Letter of Credit shall be for the account of the Fronting Bank and (ii) the remainder of the Letter of Credit Fee shall be for the accounts of the Lenders (including the Fronting Bank) pro rata in accordance with their respective Commitment Percentages. In respect of each Letter of Credit, the Borrower shall also pay to the Fronting Bank for the Fronting Bank's own account, at such other time or times as such charges are customarily made by the Fronting Bank, the Fronting Bank's customary issuance, amendment, negotiation or document examination and other administrative fees as in effect from time to time.

Section 3.7. EXISTING LETTERS OF CREDIT. Those Letters of Credit issued to the Borrower by Chase under the Original Agreement prior to its being amended and restated by this Agreement, which Letters of Credit are identified on SCHEDULE 3.7 hereto (the "EXISTING LETTERS OF CREDIT") shall for all purposes be deemed to be Letters of Credit issued under this Agreement.

Section 4. CERTAIN GENERAL PROVISIONS.

Section 4.1. FUNDS FOR PAYMENTS.

(a) All payments of principal, interest, fees, and any other amounts due hereunder or under any of the other Loan Documents shall be made to the Administrative Agent, for the respective accounts of the Lenders or (as the case may be) the Administrative Agent, at the Administrative Agent's Head Office, in each case in Dollars and in immediately available funds.

(b) All payments by the Borrower hereunder and under any of the other Loan Documents shall be made without setoff or counterclaim and free and clear of and without deduction for any taxes, levies, imposts, duties, charges, fees, deductions, withholdings, compulsory liens, restrictions or conditions of any nature now or hereafter imposed or levied by any jurisdiction or any political subdivision thereof or taxing or other authority therein unless the Borrower is compelled by law to make such deduction or withholding. If any such obligation is imposed upon the Borrower with respect to any amount payable by it hereunder or under any of the other Loan Documents, the Borrower shall pay to the Administrative Agent, for the account of the Lenders or (as the case may be) the Administrative Agent, on the date on which such amount is due and payable hereunder or under such other Loan Document, such additional amount in Dollars as shall be necessary to enable the Lenders to receive the same net amount which the Lenders would have received on such due date had no such obligation been imposed upon the Borrower. The Borrower will deliver promptly to the Administrative Agent certificates or other valid

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vouchers for all taxes or other charges deducted from or paid with respect to payments made by the Borrower hereunder or under such other Loan Document.

Section 4.2. COMPUTATIONS. All computations of interest on the Loans and of other fees to the extent applicable shall be based on a 360-day year and paid for the actual number of days elapsed. Except as otherwise provided in the definition of the term "INTEREST PERIOD" with respect to LIBOR Rate Loans, whenever a payment hereunder or under any of the other Loan Documents becomes due on a day that is not a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and interest shall accrue during such extension. The outstanding amount of the Loans as reflected on the Note Records from time to time shall constitute PRIMA FACIE evidence of the principal amount thereof.

Section 4.3. INABILITY TO DETERMINE LIBOR RATE. In the event, prior to the commencement of any Interest Period relating to any LIBOR Rate Loan, the Administrative Agent shall reasonably determine that adequate and reasonable methods do not exist for ascertaining the LIBOR Rate that would otherwise determine the rate of interest to be applicable to any LIBOR Rate Loan during any Interest Period, the Administrative Agent shall forthwith give notice of such determination (which shall be conclusive and binding on the Borrower) to the Borrower and the Lenders. In such event (a) any Loan Request or Competitive Bid Request with respect to LIBOR Rate Loans shall be automatically withdrawn and shall be deemed a request for Alternate Base Rate Loans (in the case of Revolving Credit Loans) or Absolute Competitive Bid Loans (in the case of Competitive Bid Loans), (b) each Revolving Credit LIBOR Rate Loan will automatically, on the last day of the then current Interest Period thereof, become a Alternate Base Rate Loan, and (c) the obligations of the Lenders to make LIBOR Rate Loans shall be suspended until the Administrative Agent reasonably determines that the circumstances giving rise to such suspension no longer exist, whereupon the Administrative Agent shall so notify the Borrower and the Lenders.

Section 4.4. ILLEGALITY. Subject to Sections 4.11 and 4.12 hereof, but notwithstanding any other provisions herein, if any present or future law, regulation, treaty or directive or in the interpretation or application thereof shall make it unlawful for any Lender to make or maintain LIBOR Rate Loans, such Lender shall forthwith give notice of such circumstances to the Borrower and the other Lenders and thereupon (a) the commitment of such Lender to make LIBOR Rate Loans or convert Alternate Base Rate Loans to LIBOR Rate Loans shall forthwith be suspended and (b) such Lender's Commitment Percentage of Revolving Credit LIBOR Rate Loans then outstanding shall be converted automatically to Alternate Base Rate Loans on the last day of each Interest Period applicable to such LIBOR Rate Loans or within such earlier period as

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may be required by law, all until such time as it is no longer unlawful for such Lender to make or maintain LIBOR Rate Loans. Subject to Sections 4.11 and 4.12 hereof, the Borrower hereby agrees to promptly pay the Administrative Agent for the account of such Lender, upon demand, any additional amounts necessary to compensate such Lender for any costs incurred by such Lender in making any conversion required by this Section 4.4 prior to the last day of an Interest Period with respect to a LIBOR Rate Loan, including any interest or fees payable by such Lender to lenders of funds obtained by it in order to make or maintain its LIBOR Rate Loans hereunder.

Section 4.5. ADDITIONAL COSTS, ETC. Subject to Sections 4.11 and 4.12 hereof, if any present or future applicable law, which expression, as used herein, includes statutes, rules and regulations thereunder and interpretations thereof by any competent court or by any governmental or

other regulatory body or official charged with the administration or the interpretation thereof and requests, directives, instructions and notices at any time or from time to time hereafter made upon or otherwise issued to any Lender or the Administrative Agent by any central bank or other fiscal, monetary or other authority (whether or not having the force of law), shall:

(a) subject any Lender or the Administrative Agent to any tax, levy, impost, duty, charge, fee, deduction or withholding of any nature with respect to this Agreement, the other Loan Documents, any Letters of Credit, such Lender's Commitment or the Loans (other than taxes based upon or measured by the income or profits of such Lender or the Administrative Agent), or

(b) materially change the basis of taxation (except for changes in taxes on income or profits) of payments to any Lender of the principal of or the interest on any Loans or any other amounts payable to the Administrative Agent or any Lender under this Agreement or the other Loan Documents, or

(c) impose or increase or render applicable (other than to the extent specifically provided for elsewhere in this Agreement) any special deposit, reserve, assessment, liquidity, capital adequacy or other similar requirements (whether or not having the force of law) against assets held by, or deposits in or for the account of, or loans by, or letters of credit issued by, or commitments of an office of any Lender, or

(d) impose on any Lender or the Administrative Agent any other conditions or requirements with respect to this Agreement, the other Loan Documents, any Letters of Credit, the Loans, such Lender's Commitment, or any class of loans, letters of credit or commitments of which any of the Loans or such Lender's Commitment forms a part;

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and the result of any of the foregoing is

(i) to increase the cost to any Lender of making, funding, issuing, renewing, extending or maintaining any of the Loans or such Lender's Commitment or any Letter of Credit, or

(ii) to reduce the amount of principal, interest, Reimbursement Obligation or other amount payable to such Lender or the Administrative Agent hereunder on account of such Lender's Commitment, any Letter of Credit or any of the Loans, or

(iii) to require such Lender or the Administrative Agent to make any payment or to forego any interest or Reimbursement Obligation or other sum payable hereunder, the amount of which payment or foregone interest or Reimbursement Obligation or other sum is calculated by reference to the gross amount of any sum receivable or deemed received by such Lender or the Administrative Agent from the Borrower hereunder,

then; and in each such case arising or occurring in the immediately preceding 365 days from such demand, the Borrower will, within thirty (30) days after demand made by such Lender or (as the case may be) the Administrative Agent at any time and from time to time and as often as the occasion therefor may arise, within the shorter of such maximum allowable period as permitted by law or such Lender's internal policies (but no longer than one year or the occurrence of the Maturity Date, if sooner) pay to such Lender such additional amounts as such Lender shall determine in good faith to be sufficient to compensate such Lender for such additional cost, reduction, payment or foregone interest or other sum, PROVIDED that such Lender is generally imposing similar charges on its other similarly situated borrowers.

Section 4.6. CAPITAL ADEQUACY. Subject to Sections 4.11 and 4.12 hereof, if after the date hereof any Lender or the Administrative Agent determines in good faith that (i) the adoption of or change in any law, governmental rule, regulation, policy, guideline or directive (whether or not having the force of law) regarding capital requirements for banks or bank holding companies or any change in the interpretation or application thereof by a court or governmental authority with appropriate jurisdiction, or (ii) compliance by such Lender or the Administrative Agent or any Person controlling such Lender or the Administrative Agent with any law, governmental rule, regulation, policy, guideline or directive (whether or not having the force of law) of any such Person regarding capital adequacy, has the effect of reducing the return on such Lender's or the Administrative

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Agent's Commitment with respect to any Loans to a level below that which such Lender or the Administrative Agent could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or the Administrative Agent's then existing policies with respect to capital adequacy and assuming full utilization of such entity's capital) by any amount deemed by such Lender or (as the case may be) the Administrative Agent to be material, then such Lender or the Administrative Agent may notify the Borrower of such fact. To the extent that the amount of such reduction in the return on capital is not reflected in the Alternate Base Rate, the Borrower agrees to pay such Lender or (as the case may be) the Administrative Agent the amount of such reduction in the return on capital as and when such reduction is determined, within thirty (30) days after presentation by such Lender or (as the case may be) the Administrative Agent of a certificate in accordance with Section 4.7 hereof which certificate shall be presented within the shorter of such maximum allowable period as permitted by law or such Lender's internal policies (but no longer than one year or the occurrence of the Maturity Date, if sooner). Each Lender shall allocate such cost increases among its customers in good faith and on an equitable basis.

Section 4.7. CERTIFICATE. A certificate setting forth any additional amounts payable pursuant to Sections 4.5 or 4.6 and a brief explanation of such amounts which are due, submitted by any Lender or the Administrative Agent to the Borrower shall be PRIMA FACIE evidence that such amounts are due and owing.

Section 4.8. INDEMNITY. In addition to the other provisions of this Agreement regarding such matters, the Borrower agrees to indemnify the Administrative Agent and each Lender and to hold the Administrative Agent and each Lender harmless from and against any loss, cost or expense (including LIBOR Breakage Costs, but excluding any loss of Applicable Margin on the relevant Loans) that the Administrative Agent or such Lender may sustain or incur as a consequence of (a) the failure by the Borrower to pay any principal amount of or any interest on any LIBOR Rate Loans as and when due and payable, including any such loss or expense arising from interest or fees payable by the Administrative Agent or such Lender to lenders of funds obtained by it in order to maintain its LIBOR Rate Loans, (b) the failure by the Borrower to make a borrowing or conversion after the Borrower has given or is deemed pursuant to Section 2.6(c) to have given a Completed Revolving Credit Loan Request or Competitive Bid Request for a LIBOR Rate Loan or a Conversion Request to convert a Alternate Base Rate Loan into a LIBOR Rate Loan, and (c) the making of any payment of a LIBOR Rate Loan or the making of any conversion of any such Loan to a Alternate Base Rate Loan on a day that is not the last day of the applicable Interest Period with respect thereto, including interest or fees payable by the Administrative Agent or a Lender to lenders of funds obtained by it in order to maintain any such LIBOR Rate Loans.

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Section 4.9. INTEREST DURING EVENT OF DEFAULT. During the continuance of an Event of Default, outstanding principal and (to the extent permitted by applicable law) interest on the Loans and all other amounts payable hereunder or under any of the other Loan Documents shall bear interest at a rate per annum equal to four percent (4%) above the rate otherwise then in effect until such amount shall be paid in full (after as well as before judgment). In addition, the Borrower shall pay on demand a late charge equal to five percent (5%) of any amount of principal (other than principal due on the Maturity Date) and/or interest charges on the Loans which is not paid within ten (10) days of the date when due.

Section 4.10. [Intentionally Omitted]

Section 4.11. REASONABLE EFFORTS TO MITIGATE. Each Lender agrees that as promptly as practicable after it becomes aware of the occurrence of an event or the existence of a condition that would cause it to be affected under Sections 4.4, 4.5 or 4.6, such Lender will give notice thereof to the Borrower, with a copy to the Administrative Agent and, to the extent so requested by the Borrower and not inconsistent with regulatory policies applicable to such Lender, such Lender shall use reasonable efforts and take such actions as are reasonably appropriate (including the changing of its lending office or branch) if as a result thereof the additional moneys which would otherwise be required to be paid to such Lender pursuant to such Section s would be reduced other than for de minimus amounts, or the illegality or other adverse circumstances which would otherwise require a conversion of such Loans or result in the inability to make such Loans pursuant to such Section s would cease to exist, and in each case if, as determined by such Lender in its sole discretion, the taking such actions would not adversely affect such Loans.

Section 4.12. REPLACEMENT OF LENDERS. If any Lender (an "AFFECTED LENDER") (i) makes demand upon the Borrower for (or if the Borrower is otherwise required to pay) amounts pursuant to Sections 4.4, 4.5 or 4.6, or

(ii) is unable to make or maintain LIBOR Rate Loans as a result of a condition described in Section 4.4, the Borrower may, within 90 days of receipt of such demand, notice (or the occurrence of such other event causing the Borrower to be required to pay such compensation or causing Section 4.4 to be applicable) as the case may be, by notice (a "REPLACEMENT NOTICE") in writing to the Administrative Agent and such Affected Lender (A) request the Affected Lender to cooperate with the Borrower in obtaining a replacement lender satisfactory to the Administrative Agent and the Borrower (the "REPLACEMENT LENDER"); (B) request the non-Affected Lenders to acquire and assume all of the Affected Lender's Loans and Commitment, and/or participate in Letters of Credit, as provided herein, but none of such Lenders shall be under an obligation to do so; or (C) designate a

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Replacement Lender which is an Eligible Assignee and is reasonably satisfactory to the Administrative Agent other than when an Event of Default has occurred and is continuing and absolutely satisfactory to the Administrative Agent when an Event of Default has occurred and is continuing. If any satisfactory Replacement Lender shall be obtained, and/or any of the non-Affected Lenders shall agree to acquire and assume all of the Affected Lender's Loans and Commitment, and/or participate in Letters of Credit, then such Affected Lender shall assign, in accordance with Section 18, all of its Commitment, Loans, Notes and other rights and obligations under this Agreement and all other Loan Documents to such Replacement Lender or non-Affected Lenders, as the case may be, in exchange for payment of the principal amount so assigned and all interest and fees accrued on the amount so assigned, plus all other Obligations then due and payable to the Affected Lender; PROVIDED, HOWEVER, that (x) such assignment shall be in accordance with the provisions of Section 18, shall be without recourse, representation or warranty and shall be on terms and conditions reasonably satisfactory to such Affected Lender and such Replacement Lender and/or non-Affected Lenders, as the case may be, and (y) prior to any such assignment, the Borrower shall have paid to such Affected Lender all amounts properly demanded and unreimbursed under Sections 4.4, 4.5 and 4.8.

Section 5. GUARANTIES.

Section 5.1. GUARANTIES. Each of the Guarantors will jointly and severally guaranty all of the Obligations pursuant to its Guaranty. The Obligations are full recourse obligations of the Borrower and each Guarantor, and all of the respective assets and properties of the Borrower and each such Guarantor shall be available for the payment in full in cash and performance of the Obligations (subject to Permitted Liens and senior claims enforceable as senior in accordance with applicable law, without the Lenders hereby agreeing to any such senior claim that is otherwise prohibited by this Agreement). Other than during the continuance of a Default or Event of Default, at the request of the Borrower, the Guaranty of any Subsidiary Guarantor shall be released by the Administrative Agent if and when all of the Real Estate owned or ground-leased by such Subsidiary Guarantor shall cease (not thereby creating a Default or Event of Default) to be owned by such Subsidiary Guarantor or by any other Borrower, Guarantor, Subsidiary or other Affiliate of any of same, PROVIDED the foregoing shall never permit the release of MCRC.

Section 5.2. SUBSIDIARY GUARANTY PROCEEDS. (a) Notwithstanding any provision of this Agreement or any other Loan Document to the contrary, the Administrative Agent and the Lenders agree with the Borrower that any funds, claims, or distributions actually received by the Administrative Agent or any

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Lender for the account of any Lender as a result of the enforcement of, or pursuant to a claim relating solely to the Loans under, any Subsidiary Guaranty, net of the Administrative Agent's and the Lenders' expenses of collection thereof (such net amount, "SUBSIDIARY GUARANTY PROCEEDS"), shall be made available for distribution equally and ratably (in proportion of the aggregate amount of principal, interest and other amounts then owed in respect of the Obligations or of the issuance of Public Debt, as the case may be) among the Administrative Agent, the Lenders and the trustee or trustees of any Public Debt so long as the Administrative Agent receives written notice of the amounts then owed under the Public Debt; PROVIDED that such agreement to distribute Subsidiary Guaranty Proceeds shall not be effective if the holders of the Public Debt have the benefit of guaranties at any time from the Subsidiaries of the Borrower and have not made a reciprocal agreement to share the proceeds of such guaranties with the Lenders. The Administrative Agent is hereby authorized, by the Borrower, by each Lender and by the Borrower on behalf of each Subsidiary Guarantor to make such Subsidiary Guaranty Proceeds available pursuant to the immediately preceding sentence. No Lender shall have any interest in any amount paid over by the Administrative Agent or any other Lender to the trustee or trustees in respect of any Public Debt (or to the holders thereof) pursuant to the foregoing authorization. This Section 5.2 shall apply solely to Subsidiary Guaranty Proceeds, and not to any payments, funds, claims or distributions

received by the Administrative Agent or any Lender directly or indirectly from Borrower or any other Person (including a Subsidiary Guarantor) other than from a Subsidiary Guarantor pursuant to the enforcement of, or the making of a claim relating solely to the Loans under, a Subsidiary Guaranty. The Borrower is aware of the terms of the Subsidiary Guarantees, and specifically understands and agrees with the Administrative Agent, and the Lenders that, to the extent Subsidiary Guaranty Proceeds are distributed to holders of Public Debt or their respective trustees, such Subsidiary Guarantor has agreed that the Obligations under this Agreement and any other Loan Document will not be deemed reduced by any such distributions, and each Subsidiary Guarantor shall continue to make payments pursuant to its Subsidiary Guaranty until such time as the Obligations have been paid in full (and the Commitments have been terminated and any Letter of Credit Participations reduced to zero).

(b) Nothing contained in this Section 5.2 shall be deemed (i) to limit, modify, or alter the rights of the Administrative Agent or any of the Lenders under any Subsidiary Guaranty or other Guaranty, (ii) to subordinate the Obligations to any Public Debt, or (iii) to give any holder of Public Debt (or any trustee for such holder) any rights of subrogation.

(c) This Section 5.2, and each Guaranty, are for the sole benefit of the Administrative Agent, the Lenders and their respective successors and

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assigns. Nothing contained herein or in any Guaranty shall be deemed for the benefit of any holder of Public Debt, or any trustee for such holder, nor shall anything contained herein or therein be construed to impose on the Administrative Agent or any Lender any fiduciary duties, obligations or responsibilities to the holders of any Public Debt or their trustees (including, but not limited to, any duty to pursue any Guarantor for payment under its Subsidiary Guaranty).

Section 6. REPRESENTATIONS AND WARRANTIES. The Borrower for itself and for each Guarantor insofar as any such statements relate to such Guarantor represents and warrants to the Administrative Agent and the Lenders all of the statements contained in this Section 6.

Section 6.1. AUTHORITY; ETC.

(a) ORGANIZATION; GOOD STANDING.

(i) MCRLP is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware; each Subsidiary of MCRLP that owns Real Estate is duly organized or formed, validly existing and in good standing as a corporation or a partnership or other entity, as the case may be, under the laws of the state of its organization or formation; the Borrower and each of the Borrower's Subsidiaries that owns Real Estate has all requisite partnership or corporate or other entity, as the case may be, power to own its respective properties and conduct its respective business as now conducted and as presently contemplated; and the Borrower and each of the Borrower's Subsidiaries that owns Real Estate is in good standing as a foreign entity and is duly authorized to do business in the jurisdictions where the Unencumbered Properties or other Real Estate owned or ground-leased by it are located and in each other jurisdiction where such qualification is necessary except where a failure to be so qualified in such other jurisdiction would not have a materially adverse effect on any of their respective businesses, assets or financial conditions.

(ii) MCRC is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland; each Subsidiary of MCRC that owns Real Estate is duly organized or formed, validly existing and in good standing as a corporation or partnership or other entity,

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as the case may be, under the laws of the state of its organization or formation; MCRC and each of its Subsidiaries that owns Real Estate has all requisite corporate or partnership or other entity, as the

case may be, power to own its respective properties and conduct its respective business as now conducted and as presently contemplated; and MCRC and each of its Subsidiaries that owns Real Estate is in good standing as a foreign entity and is duly authorized to do business in the jurisdictions where such qualification is necessary (including, as to MCRC, in the State of New Jersey) except where a failure to be so qualified in such other jurisdiction would not have a materially adverse effect on the business, assets or financial condition of MCRC or such Subsidiary.

(iii) As to each subsequent Guarantor, a provision similar, as applicable, to (a) (i) or (ii) above shall be included in each such subsequent Guarantor's Subsidiary Guaranty, and the Borrower shall be deemed to make for itself and on behalf of each such subsequent Guarantor a representation and warranty as to such provision regarding such subsequent Guarantor.

(b) CAPITALIZATION.

(i) The outstanding equity of MCRLP is comprised of a general partner interest and limited partner interests, all of which have been duly issued and are outstanding and fully paid and non-assessable as set forth in SCHEDULE 6.1(b) hereto. All of the issued and outstanding general partner interests of MCRLP are owned and held of record by MCRC. Except as disclosed in SCHEDULE 6.1(b) hereto, as of the Closing Date there are no outstanding securities or agreements exchangeable for or convertible into or carrying any rights to acquire any general partnership interests in MCRLP. Except as disclosed in SCHEDULE 6.1(b), there are no outstanding commitments, options, warrants, calls or other agreements (whether written or oral) binding on MCRLP or MCRC which require or could require MCRLP or MCRC to sell, grant, transfer, assign, mortgage, pledge or otherwise dispose of any general partnership interests of MCRLP. Except as set forth in the Agreement of Limited Partnership of MCRLP, no general partnership interests of MCRLP are subject to any restrictions on transfer or any

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partner agreements, voting agreements, trust deeds, irrevocable proxies, or any other similar agreements or interests (whether written or oral).

(ii) As of the Closing Date, the authorized capital stock of, or any other equity interests in, each of MCRC's Subsidiaries are as set forth in SCHEDULE 6.1(b), and the issued and outstanding voting and non-voting shares of the common stock of each of MCRC's Subsidiaries, and all of the other equity interests in such Subsidiaries, all of which have been duly issued and are outstanding and fully paid and non-assessable, are owned and held of record as set forth in SCHEDULE 6.1(b). Except as disclosed in SCHEDULE 6.1(b), as of the Closing Date there are no outstanding securities or agreements exchangeable for or convertible into or carrying any rights to acquire any equity interests in any of MCRC's Subsidiaries, and there are no outstanding options, warrants, or other similar rights to acquire any shares of any class in the capital of or any other equity interests in any of MCRC's Subsidiaries. Except as disclosed in SCHEDULE 6.1(b), as of the Closing Date there are no outstanding commitments, options, warrants, calls or other agreements or obligations (whether written or oral) binding on any of MCRC's Subsidiaries to issue, sell, grant, transfer, assign, mortgage, pledge or otherwise dispose of any shares of any class in the capital of or other equity interests in any of MCRC's Subsidiaries. Except as disclosed in SCHEDULE 6.1(b), no shares of, or equity interests in, any of MCRC's

Subsidiaries held by MCRC are subject to any restrictions on transfer pursuant to any of MCRC's Subsidiaries' applicable partnership, charter, by-laws or any shareholder agreements, voting agreements, voting trusts, trust agreements, trust deeds, irrevocable proxies or any other similar agreements or instruments (whether written or oral).

(c) DUE AUTHORIZATION. The execution, delivery and performance of this Agreement and the other Loan Documents to which the Borrower or any of the Guarantors is a party and the transactions contemplated hereby and thereby (i) are within the authority of the Borrower and such Guarantor, (ii) have been duly authorized by all necessary proceedings on the part of the Borrower or such Guarantor and any general partner or other controlling Person thereof, (iii) do not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which the Borrower or such Guarantor is subject or any judgment, order, writ, injunction, license or permit

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applicable to the Borrower or such Guarantor, (iv) do not conflict with any provision of the agreement of limited partnership, any certificate of limited partnership, the charter documents or by-laws of the Borrower or such Guarantor or any general partner or other controlling Person thereof, and (v) do not contravene any provisions of, or constitute a default, Default or Event of Default hereunder or a failure to comply with any term, condition or provision of, any other agreement, instrument, judgment, order, decree, permit, license or undertaking binding upon or applicable to the Borrower or such Guarantor or any of the Borrower's or such Guarantor's properties (except for any such failure to comply under any such other agreement, instrument, judgment, order, decree, permit, license, or undertaking as would not materially and adversely affect the condition (financial or otherwise), properties, business or results of operations of the Borrower, the Operating Subsidiaries or any Guarantor) or result in the creation of any mortgage, pledge, security interest, lien, encumbrance or charge upon any of the properties or assets of the Borrower, the Operating Subsidiaries or any Guarantor.

(d) ENFORCEABILITY. Each of the Loan Documents to which the Borrower or any of the Guarantors is a party has been duly executed and delivered and constitutes the legal, valid and binding obligations of the Borrower and each such Guarantor, as the case may be, subject only to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and to the fact that the availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

Section 6.2. GOVERNMENTAL APPROVALS. The execution, delivery and performance by the Borrower of this Agreement and by the Borrower and each Guarantor of the other Loan Documents to which the Borrower or such Guarantor is a party and the transactions contemplated hereby and thereby do not require (i) the approval or consent of any governmental agency or authority other than those already obtained, or (ii) filing with any governmental agency or authority, other than filings which will be made with the SEC when and as required by law.

Section 6.3. TITLE TO PROPERTIES; LEASES.

The Borrower, the Guarantors and their respective Subsidiaries that own Real Estate each has good title to all of its respective Real Estate purported to be owned by it, including, without limitation, that:

(a) As of the Closing Date (with respect to Unencumbered Properties designated as such on the Closing Date) or the date of designation as an Unencumbered Property (with respect to Unencumbered Properties acquired

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and/or designated as such after the Closing Date), and in each case to its knowledge thereafter, the Borrower or a Guarantor holds good and clear record and marketable fee simple or leasehold title to the Unencumbered Properties, subject to no rights of others, including any mortgages, conditional sales agreements, title retention agreements, liens or encumbrances, except for Permitted Liens and, in the case of any ground-leased Unencumbered Property, the terms of such ground lease (which shall be an Eligible Ground Lease), as the same may then or thereafter be amended from time to time in a manner consistent with the requirements for an Eligible Ground Lease.

(b) The Borrower and each of the then Guarantors will,

as of the Closing Date, own all of the assets as reflected in the financial statements of the Borrower and MCRC described in Section 6.4 or acquired in fee title (or, if Real Estate, leasehold title under an Eligible Ground Lease) since the date of such financial statements (except property and assets sold or otherwise disposed of in the ordinary course of business since that date).

(c) As of the Closing Date, each of the direct or indirect interests of MCRC, the Borrower or MCRC's other Subsidiaries in any Partially-Owned Entity that owns Real Estate is set forth on SCHEDULE 6.3 hereto, including the type of entity in which the interest is held, the percentage interest owned by MCRC, the Borrower or such Subsidiary in such entity, the capacity in which MCRC, the Borrower or such Subsidiary holds the interest, and MCRC's, the Borrower's or such Subsidiary's ownership interest therein. SCHEDULE 6.3 will be updated quarterly at the time of delivery of the financial statements pursuant to Section 7.4(b).

Section 6.4. FINANCIAL STATEMENTS. The following financial statements have been furnished to each of the Lenders:

(a) The audited consolidated balance sheet of MCRC and its Subsidiaries (including, without limitation, MCRLP and its Subsidiaries) as of December 31, 1999 and their related consolidated income statements for the fiscal year ended December 31, 1999. Such balance sheet and income statements have been prepared in accordance with GAAP and fairly present the financial condition of MCRC and its Subsidiaries as of the close of business on the date thereof and the results of operations for the fiscal year then ended. There are no contingent liabilities of MCRC as of such dates involving material amounts, known to the officers of the Borrower or of MCRC, not disclosed in said financial statements and the related notes thereto.

(b) The SEC Filings.

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Section 6.5 FISCAL YEAR. MCRC, the Borrower and its Subsidiaries each has a fiscal year which is the twelve months ending on December 31 of each calendar year, unless changed in accordance with Section 8.9 hereof.

Section 6.6. FRANCHISES, PATENTS, COPYRIGHTS, ETC. The Borrower, each Guarantor and each of their respective Subsidiaries that owns Real Estate possesses all franchises, patents, copyrights, trademarks, trade names, licenses and permits, and rights in respect of the foregoing, adequate for the conduct of their respective businesses substantially as now conducted without known material conflict with any rights of others, including all Permits.

Section 6.7. LITIGATION. Except as stated on SCHEDULE 6.7, as updated at the time of each compliance certificate, there are no actions, suits, proceedings or investigations of any kind pending or, to the knowledge of the Borrower and the Guarantors, threatened against the Borrower, any Guarantor or any of their respective Subsidiaries before any court, tribunal or administrative agency or board that, if adversely determined, could reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect or materially impair the rights of the Borrower or such Guarantor to carry on their respective businesses substantially as now conducted by them, or result in any substantial liability not adequately covered by insurance, or for which adequate reserves are not maintained, as reflected in the applicable financial statements of MCRLP and MCRC, or which question the validity of this Agreement or any of the other Loan Documents, or any action taken or to be taken pursuant hereto or thereto.

Section 6.8. NO MATERIALLY ADVERSE CONTRACTS, ETC. None of the Borrower, any Guarantor or any of their respective Subsidiaries is subject to any charter, corporate, partnership or other legal restriction, or any judgment, decree, order, rule or regulation that has or is reasonably expected to have a Material Adverse Effect. None of the Borrower, any Guarantor or any of their respective Subsidiaries that owns Real Estate is a party to any contract or agreement that has or is reasonably expected, in the judgment of their respective officers, to have a Material Adverse Effect.

Section 6.9. COMPLIANCE WITH OTHER INSTRUMENTS, LAWS, ETC. None of the Borrower, any Guarantor or any of their respective Subsidiaries that owns Real Estate is in violation of any provision of its partnership agreement, charter documents, bylaws or other organizational documents, as the case may be, or any respective agreement or instrument to which it is subject or by which it or any of its properties (including, in the case of MCRC and MCRLP, any of their respective Subsidiaries) are bound or any decree, order, judgment, statute, license, rule or regulation, in any of the foregoing cases in a manner that could reasonably be expected to result, individually or in the aggregate, in the imposition of substantial penalties or have a Material Adverse Effect.

Section 6.10. TAX STATUS.

(a) (i) Each of the Borrower, the Guarantors and their respective Subsidiaries (A) has timely made or filed all federal, state and local income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject, (B) has paid all taxes and other governmental assessments and charges shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and by appropriate proceedings, and except those which would not be in violation of Section 8.1(b) hereof and (C) has set aside on its books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply, and (ii) there are no unpaid taxes in any amount in violation of Section 8.1(b) hereof claimed to be due by the taxing authority of any jurisdiction, and the respective officers of the Borrower and the Guarantors and their respective Subsidiaries know of no basis for any such claim.

(b) To the Borrower's knowledge, each Partially-Owned Entity (i) has timely made or filed all federal, state and local income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and by appropriate proceedings and except those which would not be in violation of Section 8.1(b) hereof, and (iii) has set aside on its books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. To the best of the Borrower's knowledge, except as otherwise disclosed in writing to the Administrative Agent, there are no unpaid taxes in any amount in violation of Section 8.1(b) hereof claimed to be due by the taxing authority of any jurisdiction from any Partially-Owned Entity, and the officers of the Borrower know of no basis for any such claim.

Section 6.11. NO EVENT OF DEFAULT; NO MATERIALLY ADVERSE CHANGES. No Default or Event of Default has occurred and is continuing. Since December 31, 1999 there has occurred no materially adverse change in the financial condition or business of MCRC and its Subsidiaries or MCRLP and its Subsidiaries as shown on or reflected in the SEC Filings or the consolidated balance sheet of MCRC and its Subsidiaries as at December 31, 1999, or the consolidated statement of income for the fiscal quarter then ended, other than changes in the ordinary course of business that have not had a Material Adverse Effect on the Borrower, Guarantors and their respective Subsidiaries, taken as a whole.

Section 6.12. INVESTMENT COMPANY ACTS. None of the Borrower, any Guarantor or any of their respective Subsidiaries is an "investment company", or an "affiliated

company" or a "principal underwriter" of an "investment company", as such terms are defined in the Investment Company Act of 1940.

Section 6.13. ABSENCE OF UCC FINANCING STATEMENTS, ETC. Except for Permitted Liens, as of the Closing Date there will be no financing statement, security agreement, chattel mortgage, real estate mortgage, equipment lease, financing lease, option, encumbrance or other document filed or recorded with any filing records, registry, or other public office, that purports to cover, affect or give notice of any present or possible future lien or encumbrance on, or security interest in, any Unencumbered Property. Neither the Borrower nor any Guarantor has pledged or granted any lien on or security interest in or otherwise encumbered or transferred any of their respective interests in any Subsidiary (including in the case of MCRC, its interests in MCRLP, and in the case of the Borrower, its interests in the Operating Subsidiaries) or in any Partially-Owned Entity, except for the Harborside Pledged Interests pledged to PSC in connection with the Harborside Transaction.

Section 6.14. ABSENCE OF LIENS The Borrower or a Guarantor is the owner of or the holder of a ground leasehold interest under an Eligible Ground Lease in the Unencumbered Properties free from any lien, security interest, encumbrance and any other claim or demand, except for Permitted Liens.

Section 6.15. CERTAIN TRANSACTIONS. Except as set forth on SCHEDULE 6.15 or for transactions that have been determined by the Board of Directors of the relevant Borrower, Guarantor or Subsidiary (or its respective general partner) to be on terms as favorable to such Person as in an arms-length transaction with a third party, none of the officers, partners, directors, or employees of the Borrower or any Guarantor or any of their respective Subsidiaries is presently a party to any transaction with the Borrower, any Guarantor or any of their respective Subsidiaries (other than for or in connection with services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of

services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, partner, director or such employee or, to the knowledge of the Borrower, any corporation, partnership, trust or other entity in which any officer, partner, director, or any such employee or natural Person related to such officer, partner, director or employee or other Person in which such officer, partner, director or employee has a direct or indirect beneficial interest has a substantial interest or is an officer, director, trustee or partner.

Section 6.16. EMPLOYEE BENEFIT PLANS.

Section 6.16.1 IN GENERAL. Each Employee Benefit Plan and each Guaranteed Pension Plan has been maintained and operated in

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compliance in all material respects with the provisions of ERISA and, to the extent applicable, the Code, including but not limited to the provisions thereunder respecting prohibited transactions and the bonding of fiduciaries and other persons handling plan funds as required by Section 412 of ERISA. The Borrower has heretofore delivered to the Administrative Agent the most recently completed annual report, Form 5500, with all required attachments, and actuarial statement required to be submitted under Section 103(d) of ERISA, with respect to each Guaranteed Pension Plan.

Section 6.16.2 TERMINABILITY OF WELFARE PLANS. No Employee Benefit Plan, which is an employee welfare benefit plan within the meaning of Section 3(1) or Section 3(2)(B) of ERISA, provides benefit coverage subsequent to termination of employment, except as required by Title I, Part 6 of ERISA or the applicable state insurance laws. The Borrower may terminate each such Plan at any time (or at any time subsequent to the expiration of any applicable bargaining agreement) in the discretion of the Borrower without material liability to any Person other than for claims arising prior to termination.

Section 6.16.3 GUARANTEED PENSION PLANS. Each contribution required to be made to a Guaranteed Pension Plan, whether required to be made to avoid the incurrence of an accumulated funding deficiency, the notice or lien provisions of Section 302(f) of ERISA, or otherwise, has been timely made. No waiver of an accumulated funding deficiency or extension of amortization periods has been received with respect to any Guaranteed Pension Plan, and neither the Borrower nor any Guarantor nor any ERISA Affiliate is obligated to or has posted security in connection with an amendment to a Guaranteed Pension Plan pursuant to Section 307 of ERISA or Section 401(a)(29) of the Code. No liability to the PBGC (other than required insurance premiums, all of which have been paid) has been incurred by the Borrower nor any Guarantor nor any ERISA Affiliate with respect to any Guaranteed Pension Plan and there has not been any ERISA Reportable Event (other than an ERISA Reportable Event as to which the requirement of 30 days notice has been waived), or any other event or condition which presents a material risk of termination of any Guaranteed Pension Plan by the PBGC. Based on the latest valuation of each Guaranteed Pension Plan (which in each case occurred within twelve months of the date of this representation), and on the actuarial methods and assumptions employed for that valuation, the aggregate benefit liabilities of all such Guaranteed Pension Plans within the meaning of Section 4001 of ERISA did not exceed the aggregate value of the assets of all such Guaranteed Pension Plans, disregarding for this purpose the benefit liabilities and assets of any Guaranteed Pension Plan with assets in excess of benefit liabilities, by more than \$500,000.

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Section 6.16.4 MULTIEMPLOYER PLANS. Neither the Borrower nor any Guarantor nor any ERISA Affiliate has incurred any material liability (including secondary liability) to any Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan under Section 4201 of ERISA or as a result of a sale of assets described in Section 4204 of ERISA. Neither the Borrower nor any ERISA Affiliate has been notified that any Multiemployer Plan is in reorganization or insolvent under and within the meaning of Section 4241 or Section 4245 of ERISA or is at material risk of entering reorganization or becoming insolvent, or that any Multiemployer Plan intends to terminate or has been terminated under Section 4041A of ERISA.

Section 6.17. REGULATIONS U AND X. The proceeds of the Loans shall be used for the purposes described in Section 7.12. No portion of any Loan is to be

used, and no portion of any Letter of Credit is to be obtained, for the purpose of purchasing or carrying any "margin security" or "margin stock" as such terms are used in Regulations U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R. Parts 221 and 224, PROVIDED the Borrower may purchase MCRC stock as a Distribution under sub part (ii) of the definition thereof as long as it does not at any time cause the Lenders to be in violation of Regulations U and X and such action does not otherwise constitute a Default or an Event of Default.

Section 6.18. ENVIRONMENTAL COMPLIANCE. The Borrower has caused environmental assessments to be conducted and/or taken other steps to investigate the past and present environmental condition and usage of the Real Estate and the operations conducted thereon. Except as disclosed in the environmental assessments provided to the Administrative Agent pursuant to Section 10.7 and based upon such assessments and/or investigation, to the Borrower's knowledge, the Borrower has determined that:

(a) None of the Borrower, any Guarantor, any of their respective Subsidiaries or any operator of the Real Estate or any portion thereof, or any operations thereon is in violation, or alleged violation (in writing), of any judgment, order, law, license, rule or regulation pertaining to environmental matters, including without limitation, those arising under the Resource Conservation and Recovery Act ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), the Federal Clean Water Act, the Federal Clean Air Act, the Toxic Substances Control Act, or any state or local statute, regulation, ordinance or order relating to health, safety or the environment (hereinafter "ENVIRONMENTAL LAWS"), which violation or alleged violation (in writing) has, or its remediation would have, by itself or when aggregated with all such other violations or alleged violations, a Material Adverse Effect or constitutes a Disqualifying Environmental Event.

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(b) None of the Borrower, any Guarantor or any of their respective Subsidiaries has received notice from any third party, including, without limitation, any federal, state or local governmental authority, (i) that it has been identified by the United States Environmental Protection Agency ("EPA") as a potentially responsible party under CERCLA with respect to a site listed on the National Priorities List, 40 C.F.R. Part 300 Appendix B (1986), (ii) that any hazardous waste, as defined by 42 U.S.C. Section 6903(5), any hazardous substances as defined by 42 U.S.C. Section 9601(14), any pollutant or contaminant as defined by 42 U.S.C. Section 9601(33) or any toxic substances, oil or hazardous materials or other chemicals or substances regulated by any Environmental Laws ("HAZARDOUS SUBSTANCES") which it has generated, transported or disposed of has been found at any site at which a federal, state or local agency or other third party has conducted or has ordered that the Borrower, any Guarantor or any of their respective Subsidiaries conduct a remedial investigation, removal or other response action pursuant to any Environmental Law, or (iii) that it is or shall be a named party to any claim, action, cause of action, complaint, or legal or administrative proceeding (in each case, contingent or otherwise) arising out of any third party's incurrence of costs, expenses, losses or damages of any kind whatsoever in connection with the release of Hazardous Substances; which event described in any such notice would have a Material Adverse Effect or constitutes a Disqualifying Environmental Event.

(c) (i) No portion of the Real Estate has been used for the handling, processing, storage or disposal of Hazardous Substances except in accordance with applicable Environmental Laws; and no underground tank or other underground storage receptacle for Hazardous Substances is located on any portion of any Real Estate except in accordance with applicable Environmental Laws, (ii) in the course of any activities conducted by the Borrower, the Guarantors, their respective Subsidiaries or to the knowledge of the Borrower, without any independent inquiry other than as set forth in the environmental assessments, the operators of the Real Estate, or any ground or space tenants on any Real Estate, no Hazardous Substances have been generated or are being used on such Real Estate except in accordance with applicable Environmental Laws, (iii) there has been no present or past releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, disposing or dumping (a "RELEASE") or threatened Release of Hazardous Substances on, upon, into or from the Real Estate, (iv) to the knowledge of the Borrower without any independent inquiry other than as set forth in the environmental assessments, there have been no Releases on, upon, from or into any real property in the vicinity of any of the Real Estate which, through soil or groundwater contamination, may have come to be located on such Real Estate, and (v) any Hazardous Substances that have been generated by the Borrower or a Guarantor or any of their respective Subsidiaries at any of

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the Real Estate have been transported off-site only by carriers having an identification number issued by the EPA, treated or disposed of only by treatment or disposal facilities maintaining valid permits as required under applicable Environmental Laws; any of which events described in clauses (i) through (v) above would have a Material Adverse Effect, or constitutes a Disqualifying Environmental Event.

(d) By virtue of the use of the Loans proceeds contemplated hereby, or as a condition to the effectiveness of any of the Loan Documents, none of the Borrower, any Guarantor or any of the Real Estate is subject to any applicable Environmental Law requiring the performance of Hazardous Substances site assessments, or the removal or remediation of Hazardous Substances, or the giving of notice to any governmental agency or the recording or delivery to other Persons of an environmental disclosure document or statement.

Section 6.19. SUBSIDIARIES. As of the Closing Date, SCHEDULE 6.19 sets forth all of the respective Subsidiaries of MCRC or MCRLP and any other Guarantor, and SCHEDULE 6.19 will be updated annually at the time of delivery of the financial statements pursuant to Section 7.4(a) to reflect any changes, including subsequent Guarantor and its Subsidiaries, if any.

Section 6.20. LOAN DOCUMENTS. All of the representations and warranties of the Borrower and the Guarantors made in this Agreement and in the other Loan Documents or any document or instrument delivered to the Administrative Agent or the Lenders pursuant to or in connection with any of such Loan Documents are true and correct in all material respects and do not include any untrue statement of a material fact or omit to state a material fact required to be stated or necessary to make such representations and warranties not materially misleading.

Section 6.21. REIT STATUS. MCRC has not taken any action that would prevent it from maintaining its qualification as a REIT or from maintaining such qualification at all times during the term of the Loans.

Section 6.22. SUBSEQUENT GUARANTORS. The foregoing representations and warranties in Section 6.3 through Section 6.20, as the same are true, correct and applicable to Guarantors existing on the Closing Date, shall be true, correct and applicable to each subsequent Guarantor in all material respects as of the date it becomes a Guarantor.

Section 7. AFFIRMATIVE COVENANTS OF THE BORROWER AND THE GUARANTORS. The Borrower for itself and on behalf of each of the Guarantors (if and to the extent expressly included in Subsections contained in this Section)

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covenants and agrees that, so long as any Loan, Letter of Credit or Note is outstanding or the Lenders have any obligation to make any Loans or any Lender has any obligation to issue, extend or renew any Letters of Credit:

Section 7.1. PUNCTUAL PAYMENT. The Borrower will duly and punctually pay or cause to be paid the principal and interest on the Loans and all interest, fees, charges and other amounts provided for in this Agreement and the other Loan Documents, all in accordance with the terms of this Agreement and the Notes, and the other Loan Documents.

Section 7.2. MAINTENANCE OF OFFICE. The Borrower and each of the Guarantors will maintain its chief executive office in Cranford, New Jersey, or at such other place in the United States of America as each of them shall designate upon written notice to the Administrative Agent to be delivered within five (5) days of such change, where notices, presentations and demands to or upon the Borrower and the Guarantors, as the case may be, in respect of the Loan Documents may be given or made.

Section 7.3. RECORDS AND ACCOUNTS. The Borrower and each of the Guarantors will (a) keep true and accurate records and books of account in which full, true and correct entries will be made in accordance with GAAP in all material respects, and will cause each of its Subsidiaries that owns Real Estate to keep true and accurate records and books of account in which full, true and correct entries will be made in accordance with GAAP in all material respects, (b) maintain adequate accounts and reserves for all taxes (including income taxes), contingencies, depreciation and amortization of its properties and the properties of its Subsidiaries and (c) at all times engage PricewaterhouseCoopers LLP or other Accountants as the independent certified public accountants of MCRC, MCRLP and their respective Subsidiaries and will not permit more than thirty (30) days to elapse between the cessation of such firm's (or any successor firm's) engagement as the independent certified public accountants of MCRC, MCRLP and their respective Subsidiaries and the appointment in such capacity of a successor firm as Accountants.

Section 7.4. FINANCIAL STATEMENTS, CERTIFICATES AND INFORMATION. The Borrower will deliver and will cause MCRC to deliver to the Administrative Agent:

(a) as soon as practicable, but in any event not later than ninety (90) days after the end of each of its fiscal years, unless, in the case of MCRC, MCRC has filed for an extension in accordance with Section 7.4(g) hereof, in which case such annual financial statements shall be due in accordance with the proviso to Section 7.4(g):

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(i) in the case of MCRLP, if prepared, the audited consolidated balance sheet of MCRLP and its subsidiaries at the end of such year, the related audited consolidated statements of operations, owner's equity (deficit) and cash flows for the year then ended, in each case (except for statements of cash flow and owner's equity) with supplemental consolidating schedules provided by MCRLP; and

(ii) in the case of MCRC, the audited consolidated balance sheet of MCRC and its subsidiaries (including, without limitation, MCRLP and its subsidiaries) at the end of such year, the related audited consolidated statements of operations, stockholders' equity (deficit) and cash flows for the year then ended, in each case with supplemental consolidating schedules (except for statements of cash flow and stockholders' equity) provided by MCRC;

each setting forth in comparative form the figures for the previous fiscal year and all such statements to be in reasonable detail, prepared in accordance with GAAP, and, in each case, accompanied by an auditor's report prepared without qualification by the Accountants;

(b) as soon as practicable, but in any event not later than forty-five (45) days after the end of each of its first three (3) fiscal quarters:

(i) in the case of MCRLP, if prepared, copies of the unaudited consolidated balance sheet of MCRLP and its subsidiaries as at the end of such quarter, the related unaudited consolidated statements of operations, owner's equity (deficit) and cash flows for the portion of MCRLP's fiscal year then elapsed, with supplemental consolidating schedules (except with respect to statements of cash flow and owner's equity) provided by MCRLP; and

(ii) in the case of MCRC, copies of the unaudited consolidated balance sheet of MCRC and its subsidiaries (including, without limitation, MCRLP and its subsidiaries) as at the end of such quarter, the related unaudited consolidated statements of operations, stockholders' equity (deficit) and cash flows for the portion of MCRC's fiscal year then elapsed, with supplemental consolidating schedules (except with respect to statements of cash flow and stockholders' equity) provided by MCRC;

all in reasonable detail and prepared in accordance with GAAP on the same basis as used in preparation of MCRC's Form 10-Q statements filed with the SEC, together with a certification by the chief financial officer or vice president of finance of MCRLP or MCRC, as applicable, that the information contained in

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such financial statements fairly presents the financial position of MCRLP or MCRC (as the case may be) and its subsidiaries on the date thereof (subject to year-end adjustments);

(c) simultaneously with the delivery of the financial statements referred to in subsections (a) (for the fourth fiscal quarter of each fiscal year) above and (b) (for the first three fiscal quarters of each fiscal year), a statement in the form of EXHIBIT D hereto signed by the chief financial officer or vice president of finance of the MCRLP or MCRC, as applicable, and (if applicable) reconciliations to reflect changes in GAAP since the applicable Financial Statement Date, but only to the extent that such changes in GAAP affect the financial covenants set forth in Section 9 hereof; and, in the case of MCRLP, setting forth in reasonable detail computations evidencing compliance with the covenants contained in Section 8.7 and Section 9 hereof;

(d) promptly if requested by the Administrative Agent, a copy of each report (including any so-called letters of reportable conditions or letters of no material weakness) submitted to the Borrower, MCRC, or any other Guarantor or any of their respective subsidiaries by the Accountants in connection with each annual audit of the books of the Borrower, MCRC, or any other Guarantor or such subsidiary by such Accountants or in connection with any interim audit thereof pertaining to any phase of the business of the Borrower, MCRC or any other Guarantor or any such subsidiary;

(e) contemporaneously with the filing or mailing thereof,

copies of all material of a financial nature sent to the holders of any Indebtedness of the Borrower or any Guarantor (other than the Loans) for borrowed money, to the extent that the information or disclosure contained in such material refers to or could reasonably be expected to have a Material Adverse Effect;

(f) subject to subsection (g) below, contemporaneously with the filing or mailing thereof, copies of all material of a financial nature filed with the SEC or sent to the stockholders of MCRC;

(g) as soon as practicable, but in any event not later than ninety (90) days after the end of each fiscal year of MCRC, copies of the Form 10-K statement filed by MCRC with the SEC for such fiscal year, and as soon as practicable, but in any event not later than forty-five (45) days after the end of each fiscal quarter of MCRC, copies of the Form 10-Q statement filed by MCRC with the SEC for such fiscal quarter, PROVIDED that, in either case, if MCRC has filed an extension for the filing of such statements, MCRC shall deliver such statements to the Administrative Agent within ten (10) days after the filing thereof with the SEC which filing shall be within fifteen (15) days of MCRC's

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filing for such extension or such sooner time as required to avert a Material Adverse Effect on MCRC;

(h) from time to time, but not more frequently than once each calendar quarter so long as no Default or Event of Default has occurred and is continuing, such other financial data and information about the Borrower, MCRC, the other Guarantors, their respective Subsidiaries, the Real Estate and the Partially-Owned Entities as the Administrative Agent or any Lender acting through the Administrative Agent may reasonably request, and which is prepared by such Person in the normal course of its business or is required for securities and tax law compliance, including pro forma financial statements described in Section 9.9(b)(ii), complete rent rolls for the Unencumbered Properties and summary rent rolls for the other Real Estate, existing environmental reports, and insurance certificates with respect to the Real Estate (including the Unencumbered Properties) and tax returns (following the occurrence of a Default or Event of Default or, in the case of MCRC, to confirm MCRC's REIT status), but excluding working drafts and papers and privileged documents; and

(i) simultaneously with the delivery of the financial statements referred to in subsections (a) and (b) above, updates to SCHEDULE 6.3 and SCHEDULE 6.19 hereto.

Section 7.5. NOTICES.

(a) DEFAULTS. The Borrower will, and will cause each Guarantor, as applicable, to, promptly notify the Administrative Agent in writing of the occurrence of any Default or Event of Default. If any Person shall give any notice or take any other action in respect of (x) a claimed default (whether or not constituting a Default or Event of Default under this Agreement) or (y) a claimed default by the Borrower, any Guarantor or any of their respective Subsidiaries, as applicable, under any note, evidence of Indebtedness, indenture or other obligation for borrowed money to which or with respect to which any of them is a party or obligor, whether as principal, guarantor or surety, and such default would permit the holder of such note or obligation or other evidence of Indebtedness to accelerate the maturity thereof or otherwise cause the entire Indebtedness to become due, the Borrower, MCRC or such other Guarantor, as the case may be, shall forthwith give written notice thereof to the Administrative Agent, describing the notice or action and the nature of the claimed failure to comply.

(b) ENVIRONMENTAL EVENTS. The Borrower will, and will cause each Guarantor to, promptly give notice in writing to the Administrative Agent (i) upon the Borrower's or such Guarantor's obtaining knowledge of any material violation of any Environmental Law affecting any Real Estate or the Borrower's

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or such Guarantor's operations or the operations of any of their Subsidiaries, (ii) upon the Borrower's or such Guarantor's obtaining knowledge of any known Release of any Hazardous Substance at, from, or into any Real Estate which it reports in writing or is reportable by it in writing to any governmental authority and which is material in amount or nature or which could materially adversely affect the value of such Real Estate, (iii) upon the Borrower's or such Guarantor's receipt of any notice of material violation of any Environmental Laws or of any material Release of Hazardous Substances in violation of any Environmental Laws or any matter that may be a Disqualifying Environmental Event, including a notice or claim of liability or potential responsibility from any third party (including without limitation any federal, state or local governmental officials) and including notice of any formal inquiry, proceeding, demand, investigation or other action with regard to (A)

the Borrower's or such Guarantor's or any other Person's operation of any Real Estate, (B) contamination on, from or into any Real Estate, or (C) investigation or remediation of off-site locations at which the Borrower or such Guarantor or any of its predecessors are alleged to have directly or indirectly disposed of Hazardous Substances, or (iv) upon the Borrower's or such Guarantor's obtaining knowledge that any expense or loss has been incurred by such governmental authority in connection with the assessment, containment, removal or remediation of any Hazardous Substances with respect to which the Borrower or such Guarantor or any Partially-Owned Entity may be liable or for which a lien may be imposed on any Real Estate; provided any of which events described in clauses (i) through (iv) above would have a Material Adverse Effect or constitute a Disqualifying Environmental Event with respect to any Unencumbered Property.

(c) NOTIFICATION OF CLAIMS AGAINST UNENCUMBERED PROPERTIES.

The Borrower will, and will cause each Guarantor to, promptly upon becoming aware thereof, notify the Administrative Agent in writing of any setoff, claims, withholdings or other defenses to which any of the Unencumbered Properties are subject, which (i) would have a material adverse effect on the value of such Unencumbered Property, (ii) would have a Material Adverse Effect, or (iii) with respect to such Unencumbered Property, would constitute a Disqualifying Environmental Event or a Lien which is not a Permitted Lien.

(d) NOTICE OF LITIGATION AND JUDGMENTS. The Borrower will, and will cause each Guarantor and each Guarantor's Subsidiaries to, and the Borrower will cause each of its respective Subsidiaries to, give notice to the Administrative Agent in writing within ten (10) days of becoming aware of any litigation or proceedings threatened in writing or any pending litigation and proceedings an adverse determination in which could reasonably be expected to have a Material Adverse Effect or materially adversely affect any Unencumbered Property, or to which the Borrower, any Guarantor or any of

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their respective Subsidiaries is or is to become a party involving an uninsured claim against the Borrower, any Guarantor or any of their respective Subsidiaries that could reasonably be expected to have a Materially Adverse Effect or materially adversely affect the value or operation of the Unencumbered Properties and stating the nature and status of such litigation or proceedings. The Borrower will, and will cause each of the Guarantors and the Subsidiaries to, give notice to the Administrative Agent, in writing, in form and detail reasonably satisfactory to the Administrative Agent, within ten (10) days of any judgment not covered by insurance, final or otherwise, against the Borrower, any Guarantor or any of their Subsidiaries in an amount in excess of \$1,000,000.

(e) ACQUISITION OF REAL ESTATE. The Borrower shall promptly provide the Administrative Agent and the Lenders with any press releases relating to the acquisition of any Real Estate by the Borrower, any Guarantor, any of their respective Subsidiaries or any Partially-Owned Entity. In addition, to the extent not otherwise provided to the Administrative Agent in its press release and Form 10-Q filings with the SEC, the Borrower shall provide to the Administrative Agent on a quarterly basis together with the financial statements referred to in Section 7.4(b) the following information with respect to all Real Estate acquired during the prior quarter: its address, a brief description, a brief summary of the key business terms of such acquisition (including sources and uses of funds for such acquisition), a brief summary of the principal terms of any financing for such Real Estate, and a statement as to whether such Real Estate qualifies as an Unencumbered Property.

Section 7.6. EXISTENCE OF BORROWER AND SUBSIDIARY GUARANTORS; MAINTENANCE OF PROPERTIES. The Borrower for itself and for each Subsidiary Guarantor insofar as any such statements relate to such Subsidiary Guarantor will do or cause to be done all things necessary to, and shall, preserve and keep in full force and effect its existence as a limited partnership or its existence as another legally constituted entity, and will do or cause to be done all things necessary to preserve and keep in full force all of its material rights and franchises and those of its Subsidiaries. The Borrower (a) will cause all necessary repairs, renewals, replacements, betterments and improvements to be made to all Real Estate owned or controlled by it or by any of its Subsidiaries or any Subsidiary Guarantor, all as in the judgment of the Borrower or such Subsidiary or such Subsidiary Guarantor may be necessary so that the business carried on in connection therewith may be properly conducted at all times, subject to the terms of the applicable Leases and partnership agreements or other entity charter documents, (b) will cause all of its other properties and those of its Subsidiaries and the Subsidiary Guarantors used or useful in the conduct of its business or the business of its Subsidiaries or such Subsidiary Guarantor to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment, ordinary wear and tear excepted, and (c) will, and

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will cause each of its Subsidiaries and each Subsidiary Guarantor to,

continue to engage primarily in the businesses now conducted by it and in related businesses consistent with the requirements of the fourth sentence of Section 7.7 hereof; PROVIDED that nothing in this Section 7.6 shall prevent the Borrower from discontinuing the operation and maintenance of any of its properties or any of those of its Subsidiaries if such discontinuance is, in the judgment of the Borrower, desirable in the conduct of its or their business and such discontinuance does not cause a Default or an Event of Default hereunder and does not in the aggregate have a Material Adverse Effect on the Borrower, Guarantors and their respective Subsidiaries taken as a whole.

Section 7.7. EXISTENCE OF MCRC; MAINTENANCE OF REIT STATUS OF MCRC; MAINTENANCE OF PROPERTIES. The Borrower will cause MCRC to do or cause to be done all things necessary to preserve and keep in full force and effect MCRC's existence as a Maryland corporation. The Borrower will cause MCRC at all times to maintain its status as a REIT and not to take any action which could lead to its disqualification as a REIT. The Borrower shall cause MCRC at all times to maintain its listing on the New York Stock Exchange or any successor thereto. The Borrower will cause MCRC to continue to operate as a fully-integrated, self-administered and self-managed real estate investment trust which, together with its Subsidiaries (including, without limitation MCRLP) owns and operates an improved property portfolio comprised primarily (i.e., 85% or more by value) of office, office/flex, warehouse and industrial/warehouse properties. The Borrower will cause MCRC not to engage in any business other than the business of acting as a REIT and serving as the general partner and limited partner of MCRLP, as a member, partner or stockholder of other Persons and as a Guarantor. The Borrower shall cause MCRC to conduct all or substantially all of its business operations through MCRLP or through subsidiary partnerships or other entities in which (x) MCRLP directly or indirectly owns at least 95% of the economic interests and (y) MCRC directly or indirectly (through wholly-owned Subsidiaries) acts as sole general partner or managing member. The Borrower shall cause MCRC not to own real estate assets outside of its interests in MCRLP. The Borrower will cause MCRC to do or cause to be done all things necessary to preserve and keep in full force all of its rights and franchises and those of its Subsidiaries. The Borrower will cause MCRC (a) to cause all of its properties and those of its Subsidiaries used or useful in the conduct of its business or the business of its Subsidiaries to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment, ordinary wear and tear excepted, (b) to cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of MCRC may be necessary so that the business carried on in connection therewith may be properly conducted at all times, and (c) to cause each of its Subsidiaries to continue to engage primarily in the businesses now conducted by it and in related businesses, consistent with

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the requirements of the fourth sentence of this Section 7.7; PROVIDED that nothing in this Section 7.7 shall prevent MCRC from discontinuing the operation and maintenance of any of its properties or any of those of its Subsidiaries if such discontinuance is, in the judgment of MCRC, desirable in the conduct of its or their business and such discontinuance does not cause a Default or an Event of Default hereunder and does not in the aggregate materially adversely affect the business of MCRC and its Subsidiaries on a consolidated basis.

Section 7.8. INSURANCE. The Borrower will, and will cause each Guarantor to, maintain with respect to its properties, and will cause each of its Subsidiaries to maintain with financially sound and reputable insurers, insurance with respect to such properties and its business against such casualties and contingencies as shall be commercially reasonable and in accordance with the customary and general practices of businesses having similar operations and real estate portfolios in similar geographic areas and in amounts, containing such terms, in such forms and for such periods as may be reasonable and prudent for such businesses.

Section 7.9. TAXES. The Borrower will, and will cause each Guarantor to, pay or cause to be paid real estate taxes, other taxes, assessments and other governmental charges against the Real Estate before the same become delinquent and will duly pay and discharge, or cause to be paid and discharged, before the same shall become overdue, all taxes, assessments and other governmental charges imposed upon its sales and activities, or any part thereof, or upon the income or profits therefrom, as well as all claims for labor, materials, or supplies that if unpaid might by law become a lien or charge upon any of the Real Estate; PROVIDED that any such tax, assessment, charge, levy or claim need not be paid if the validity or amount thereof shall currently be contested in good faith by appropriate proceedings and if the Borrower or such Guarantor shall have set aside on its books adequate reserves with respect thereto; and PROVIDED FURTHER that the Borrower or such Guarantor will pay all such taxes, assessments, charges, levies or claims forthwith upon the commencement of proceedings to foreclose any lien that may have attached as security therefor. If requested by the Agent, the Borrower will provide evidence of the payment of real estate taxes, other taxes, assessments and other governmental charges against the Real Estate in the form of receipted tax bills

or other form reasonably acceptable to the Agent. Notwithstanding the foregoing, a breach of the covenants set forth in this Section 7.9 shall only constitute an Event of Default if such breach results in a violation of the covenant set forth in Section 8.1(b) hereof.

Section 7.10. INSPECTION OF PROPERTIES AND BOOKS. The Borrower will, and will cause each Guarantor to, permit the Lenders, coordinated through the Administrative Agent, (a) on an annual basis as a group, or more frequently if

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required by law or by regulatory requirements of a Lender or if a Default or an Event of Default shall have occurred and be continuing, to visit and inspect any of the properties of the Borrower, any Guarantor or any of their respective Subsidiaries, and to examine the books of account of the Borrower, the Guarantors and their respective Subsidiaries (and to make copies thereof and extracts therefrom) and (b) to discuss the affairs, finances and accounts of the Borrower, the Guarantors and their respective Subsidiaries with, and to be advised as to the same by, its officers, all at such reasonable times and intervals during normal business hours as the Administrative Agent may reasonably request; PROVIDED that the Borrower shall only be responsible for the costs and expenses incurred by the Administrative Agent in connection with such inspections after the occurrence and during the continuance of an Event of Default; and PROVIDED FURTHER that such Person has executed a confidentiality agreement in substantially the form executed by the Administrative Agent as of the date hereof. The Administrative Agent and each Lender agrees to treat any non-public information delivered or made available by the Borrower to it in accordance with the provisions of the confidentiality agreement executed by such Person.

Section 7.11. COMPLIANCE WITH LAWS, CONTRACTS, LICENSES, AND PERMITS. The Borrower will, and will cause each Guarantor to, comply with, and will cause each of their respective Subsidiaries to comply with (a) all applicable laws and regulations now or hereafter in effect wherever its business is conducted, including, without limitation, all Environmental Laws and all applicable federal and state securities laws, (b) the provisions of its partnership agreement and certificate or corporate charter and other charter documents and by-laws, as applicable, (c) all material agreements and instruments to which it is a party or by which it or any of its properties may be bound (including the Real Estate and the Leases) and (d) all applicable decrees, orders, and judgments; PROVIDED that any such decree, order or judgment need not be complied with if the validity or amount thereof shall currently be contested in good faith by appropriate proceedings and if the Borrower or such Guarantor shall have set aside on its books adequate reserves with respect thereto; and PROVIDED FURTHER that the Borrower or such Guarantor will comply with any such decree, order or judgment forthwith upon the commencement of proceedings to foreclose any Lien that may have attached as security therefor.

Section 7.12. USE OF PROCEEDS. Subject at all times to the other provisions of this Agreement, the Borrower will use the proceeds of the Loans solely for general working capital needs (including letters of credit) and other general corporate purposes.

Section 7.13. ACQUISITION OF UNENCUMBERED PROPERTIES. The Borrower shall promptly, but in any event within thirty (30) days of the acquisition of an

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Unencumbered Property or the qualification of any Real Estate as an Unencumbered Property, deliver to the Administrative Agent a copy of the Title Policy or commitment for a Title Policy and the final environmental site assessment for such Unencumbered Property.

Section 7.14. ADDITIONAL GUARANTORS; SOLVENCY OF GUARANTORS.

(a) If, after the Closing Date, a Subsidiary that is not a Guarantor, acquires any Real Estate that then or thereafter qualifies under (a)-(d) of the definition of Unencumbered Property and is wholly-owned or ground leased under an Eligible Ground Lease, the Borrower shall cause such Person (which Person must be or become a wholly-owned Subsidiary) to execute and deliver a Guaranty to the Administrative Agent and the Lenders in substantially the form of EXHIBIT B hereto. Such Guaranty shall evidence consideration and equivalent value. The Borrower will not permit any Guarantor that owns or ground leases any Unencumbered Properties to have any Subsidiaries unless such Subsidiary's business, obligations and undertakings are exclusively related to the business of such Guarantor in the ownership of the Unencumbered Properties.

(b) The Borrower, MCRC, and each Subsidiary Guarantor is solvent, other than for Permitted Event(s) permitted by this Agreement which shall be the only Non-Material Breaches under this Section 7.14(b). The Borrower and MCRC each acknowledge that, subject to the indefeasible payment and performance in full of the Obligations, the rights of contribution among each of

the them and the Subsidiary Guarantors are in accordance with applicable laws and in accordance with each such Person's benefits under the Loans and this Agreement. The Borrower further acknowledges that, subject to the indefeasible payment and performance in full of the Obligations, the rights of subrogation of the Subsidiary Guarantors as against the Borrower and MCRC are in accordance with applicable laws.

Section 7.15. FURTHER ASSURANCES. The Borrower will, and will cause each Guarantor to, cooperate with, and to cause each of its Subsidiaries to cooperate with, the Administrative Agent and the Lenders and execute such further instruments and documents as the Lenders or the Administrative Agent shall reasonably request to carry out to their reasonable satisfaction the transactions contemplated by this Agreement and the other Loan Documents.

Section 7.16. [Intentionally Omitted]

Section 7.17. ENVIRONMENTAL INDEMNIFICATION. The Borrower covenants and agrees that it and its Subsidiaries will indemnify and hold the Administrative Agent and each Lender, and each of their respective Affiliates, harmless from

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and against any and all claims, expense, damage, loss or liability incurred by the Administrative Agent or any Lender (including all reasonable costs of legal representation incurred by the Administrative Agent or any Lender in connection with any investigative, administrative or judicial proceeding, whether or not the Administrative Agent or any Lender is party thereto, but excluding, as applicable for the Administrative Agent or a Lender, any claim, expense, damage, loss or liability as a result of the gross negligence or willful misconduct of the Administrative Agent or such Lender or any of their respective Affiliates) relating to (a) any Release or threatened Release of Hazardous Substances on any Real Estate; (b) any violation of any Environmental Laws with respect to conditions at any Real Estate or the operations conducted thereon; (c) the investigation or remediation of off-site locations at which the Borrower, any Guarantor or any of their respective Subsidiaries or their predecessors are alleged to have directly or indirectly disposed of Hazardous Substances; or (d) any action, suit, proceeding or investigation brought or threatened with respect to any Hazardous Substances relating to Real Estate (including, but not limited to, claims with respect to wrongful death, personal injury or damage to property). In litigation, or the preparation therefor, the Lenders and the Administrative Agent shall be entitled to select their own counsel and participate in the defense and investigation of such claim, action or proceeding, and the Borrower shall bear the expense of such separate counsel of the Administrative Agent and the Lenders if (i) in the written opinion of counsel to the Administrative Agent and the Lenders, use of counsel of the Borrower's choice could reasonably be expected to give rise to a conflict of interest, (ii) the Borrower shall not have employed counsel reasonably satisfactory to the Administrative Agent and the Lenders within a reasonable time after notice of the institution of any such litigation or proceeding, or (iii) the Borrower authorizes the Administrative Agent and the Lenders to employ separate counsel at the Borrower's expense. It is expressly acknowledged by the Borrower that this covenant of indemnification shall survive the payment of the Loans and shall inure to the benefit of the Administrative Agent and the Lenders and their respective Affiliates, their respective successors, and their respective assigns under the Loan Documents permitted under this Agreement.

Section 7.18. RESPONSE ACTIONS. The Borrower covenants and agrees that if any Release or disposal of Hazardous Substances shall occur or shall have occurred on any Real Estate owned by it or any of its Subsidiaries, the Borrower will cause the prompt containment and removal of such Hazardous Substances and remediation of such Real Estate if necessary to comply with all Environmental Laws.

Section 7.19. ENVIRONMENTAL ASSESSMENTS. If the Majority Lenders have reasonable grounds to believe that a Disqualifying Environmental Event has

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occurred with respect to any Unencumbered Property, after reasonable notice by the Administrative Agent, whether or not a Default or an Event of Default shall have occurred, the Majority Lenders may determine that the affected Real Estate no longer qualifies as an Unencumbered Property; PROVIDED that prior to making such determination, the Administrative Agent shall give the Borrower reasonable notice and the opportunity to obtain one or more environmental assessments or audits of such Unencumbered Property prepared by a hydrogeologist, an independent engineer or other qualified consultant or expert approved by the Administrative Agent, which approval will not be unreasonably withheld, to evaluate or confirm (i) whether any Release of Hazardous Substances has occurred in the soil or water at such Unencumbered Property and (ii) whether the use and operation of such Unencumbered Property

materially complies with all Environmental Laws (including not being subject to a matter that is a Disqualifying Environmental Event). Such assessment will then be used by the Administrative Agent to determine whether a Disqualifying Environmental Event has in fact occurred with respect to such Unencumbered Property. All such environmental assessments shall be at the sole cost and expense of the Borrower.

Section 7.20. EMPLOYEE BENEFIT PLANS.

(a) IN GENERAL. Each Employee Benefit Plan maintained by the Borrower, any Guarantor or any of their respective ERISA Affiliates will be operated in compliance in all material respects with the provisions of ERISA and, to the extent applicable, the Code, including but not limited to the provisions thereunder respecting prohibited transactions.

(b) TERMINABILITY OF WELFARE PLANS. With respect to each Employee Benefit Plan maintained by the Borrower, any Guarantor or any of their respective ERISA Affiliates which is an employee welfare benefit plan within the meaning of Section 3(1) or Section 3(2)(B) of ERISA, the Borrower, such Guarantor, or any of their respective ERISA Affiliates, as the case may be, has the right to terminate each such plan at any time (or at any time subsequent to the expiration of any applicable bargaining agreement) without material liability other than liability to pay claims incurred prior to the date of termination.

(c) UNFUNDED OR UNDERFUNDED LIABILITIES. The Borrower will not, and will not permit any Guarantor to, at any time, have accruing or accrued unfunded or underfunded liabilities with respect to any Employee Benefit Plan, Guaranteed Pension Plan or Multiemployer Plan, or permit any condition to exist under any Multiemployer Plan that would create a withdrawal liability.

Section 7.21. NO AMENDMENTS TO CERTAIN DOCUMENTS. The Borrower will not, and will not permit any Guarantor to, at any time cause or permit its certificate of

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limited partnership, agreement of limited partnership, articles of incorporation, by-laws, certificate of formation, operating agreement or other charter documents, as the case may be, to be modified, amended or supplemented in any respect whatever, without (in each case) the express prior written consent or approval of the Administrative Agent, if such changes would adversely affect MCRC's REIT status or otherwise materially adversely affect the rights of the Administrative Agent and the Lenders hereunder or under any other Loan Document.

Section 7.22. PRIMARY CREDIT FACILITY. The Borrower will at all times use this Agreement as the Borrower's primary revolving credit agreement and will not at any time during the term of this Agreement permit that ratio of (a) the sum of the outstanding principal balance of the Loans PLUS the Maximum Drawing Amount to (b) the Total Commitment (the "OUTSTANDING RATIO") to be less than the corresponding ratio under any other revolving credit agreement maintained by the Borrower or any Guarantor, including MCRC, except that the corresponding ratio under the \$100,000,000 credit facility with PSC (as amended, modified, restated or refinanced so long as the amount of such facility does not exceed \$100,000,000) may exceed the Outstanding Ratio from time to time.

Section 7.23. MANAGEMENT. Except by reason of death or incapacity, at least three (3) of the Key Management Individuals (as hereinafter defined) shall remain active in the executive and/or operational management, in their current (or comparable) positions, of MCRC (which is and shall remain the sole general partner and management of MCRLP); PROVIDED, HOWEVER, if at least three (3) of the Key Management Individuals are not so active in such positions (except by reason of death or incapacity as aforesaid), then within ninety (90) days of the occurrence of such event, MCRC shall propose and appoint such individual(s) of comparable experience, reputation and otherwise reasonably acceptable to the Majority Lenders to such position(s) such that, after such appointment, such acceptable replacement individuals, together with the Key Management Individuals remaining so active in such positions with MCRC, if any, total at least three (3). For purposes hereof, "KEY MANAGEMENT INDIVIDUALS" shall mean and include Mitchell E. Hersh, John R. Cali, Brant B. Cali, Barry Lefkowitz, Roger W. Thomas and Timothy M. Jones.

Section 7.24. DISTRIBUTIONS IN THE ORDINARY COURSE. In the ordinary course of business MCRLP causes all of its and MCRC's Subsidiaries to make net transfers of cash and cash equivalents upstream to MCRLP and MCRC, and shall continue to follow such ordinary course of business. MCRLP shall not make net transfers of cash and cash equivalents downstream to its and MCRC's Subsidiaries except in the ordinary course of business consistent with past practice.

Section 8. CERTAIN NEGATIVE COVENANTS OF THE BORROWER AND THE GUARANTORS. The Borrower for itself and on behalf of the Guarantors covenants and agrees that, so long as any Loan, Letter of Credit or Note is outstanding or any of the Lenders has any obligation to make any Loans or any Lender has any obligation to issue, extend or renew any Letters of Credit:

Section 8.1. RESTRICTIONS ON INDEBTEDNESS.

The Borrower and the Guarantors may, and may permit their respective Subsidiaries to, create, incur, assume, guarantee or be or remain liable for, contingently or otherwise, any Indebtedness other than the specific Indebtedness which is prohibited under this Section 8.1 and with respect to which each of the Borrower and the Guarantors will not, and will not permit any Subsidiary to, create, incur, assume, guarantee or be or remain liable for, contingently or otherwise, singularly or in the aggregate as follows:

(a) Indebtedness which would result in a Default or Event of Default under Section 9 hereof or under any other provision of this Agreement;

(b) An aggregate amount in excess of \$10,000,000 at any one time in respect of (i) taxes, assessments, governmental charges or levies and claims for labor, materials and supplies for which payment therefor is required to be made in accordance with the provisions of Section 7.9 and has not been timely made, (ii) uninsured judgments or awards, with respect to which the applicable periods for taking appeals have expired, or with respect to which final and unappealable judgments or awards have been rendered, and (iii) current unsecured liabilities incurred in the ordinary course of business, which (A) are overdue for more than sixty (60) days, and (B) are not being contested in good faith; and

(c) Guarantees of the Indebtedness of any Opportunity Fund which are not permitted under the definition of "Opportunity Fund" herein.

The terms and provisions of this Section 8.1 are in addition to, and not in limitation of, the covenants set forth in Section 9 of this Agreement.

Section 8.2. RESTRICTIONS ON LIENS, ETC. None of the Borrower, any Guarantor, any Operating Subsidiary and any wholly-owned Subsidiary will: (a) create or incur or suffer to be created or incurred or to exist any lien, encumbrance, mortgage, pledge, negative pledge, charge, restriction or other security interest of any kind upon any of its property or assets of any character whether now owned or hereafter acquired, or upon the income or profits therefrom; (b) transfer any of such property or assets or the income or profits therefrom for the

purpose of subjecting the same to the payment of Indebtedness or performance of any other obligation in priority to payment of its general creditors; (c) acquire, or agree or have an option to acquire, any property or assets upon conditional sale or other title retention or purchase money security agreement, device or arrangement; (d) suffer to exist for a period of more than thirty (30) days after the same shall have been incurred any Indebtedness or claim or demand against it that if unpaid might by law or upon bankruptcy or insolvency, or otherwise, be given any priority whatsoever over its general creditors; or (e) sell, assign, pledge or otherwise transfer any accounts, contract rights, general intangibles, chattel paper or instruments, with or without recourse (the foregoing items (a) through (e) being sometimes referred to in this Section 8.2 collectively as "LIENS"), PROVIDED that the Borrower, the Guarantors and any Subsidiary may create or incur or suffer to be created or incurred or to exist:

(i) Liens securing taxes, assessments, governmental charges (including, without limitation, water, sewer and similar charges) or levies or claims for labor, material and supplies, the Indebtedness with respect to which is not prohibited by Section 8.1(b);

(ii) deposits or pledges made in connection with, or to secure payment of, worker's compensation, unemployment insurance, old age pensions or other social security obligations; and deposits with utility companies and other similar deposits made in the ordinary course of business;

(iii) Liens (other than affecting the Unencumbered Properties) in respect of judgments or awards, the Indebtedness with respect to which is not prohibited by Section 8.1(b);

(iv) encumbrances on properties consisting of easements, rights of way, covenants, notice of use limitations under Environmental Laws,

restrictions on the use of real property and defects and irregularities in the title thereto; landlord's or lessor's Liens under Leases to which the Borrower, any Guarantor, or any Subsidiary is a party or bound; purchase options granted at a price not less than the market value of such property; and other similar Liens or encumbrances on properties, none of which interferes materially and adversely with the use of the property affected in the ordinary conduct of the business of the owner thereof, and which matters neither (x) individually or in the aggregate have a Material Adverse Effect nor (xx) make title to such property unmarketable by the conveyancing standards in effect where such property is located;

(v) any Leases (excluding Synthetic Leases) entered into in good faith with Persons that are not Affiliates; PROVIDED that Leases with Affiliates

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on market terms and with monthly market rent payments required to be paid are Permitted Liens;

(vi) Liens and other encumbrances or rights of others which exist on the date of this Agreement and which do not otherwise constitute a breach of this Agreement;

(vii) as to Real Estate which are acquired after the date of this Agreement, Liens and other encumbrances or rights of others which exist on the date of acquisition and which do not otherwise constitute a breach of this Agreement;

(viii) Liens affecting the Unencumbered Properties in respect of judgments or awards that have been in force for less than the applicable period for taking an appeal, so long as execution is not levied thereunder or in respect of which, at the time, a good faith appeal or proceeding for review is being prosecuted, and in respect of which a stay of execution shall have been obtained pending such appeal or review; PROVIDED that the Borrower shall have obtained a bond or insurance with respect thereto to the Administrative Agent's reasonable satisfaction;

(ix) Liens securing Indebtedness for the purchase price of capital assets (other than Real Estate but including Indebtedness in respect of Capitalized Leases for equipment and other equipment leases) to the extent not otherwise prohibited by Section 8.1;

(x) other Liens (other than affecting the Unencumbered Properties) in connection with any Indebtedness not prohibited under Section 8.1 which do not otherwise result in a Default or Event of Default under this Agreement; and

(xi) Liens granted in accordance with Section 8.4(b) hereof.

Notwithstanding the foregoing provisions of this Section 8.2, the failure of any Unencumbered Property to comply with the covenants set forth in this Section 8.2 shall result in such Unencumbered Property's no longer qualifying as Unencumbered Property under this Agreement, but such disqualification shall not by itself constitute a Default or Event of Default, unless the cause of such non-qualification otherwise constitutes a Default or an Event of Default.

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Section 8.3. RESTRICTIONS ON INVESTMENTS. None of the Borrower, any Guarantor, or any Subsidiary will make or permit to exist or to remain outstanding any Investment except Investments in:

(a) marketable direct or guaranteed obligations of the United States of America that mature within one (1) year from the date of purchase;

(b) demand deposits, certificates of deposit, bankers acceptances and time deposits of United States banks having total assets in excess of \$1,000,000,000, PROVIDED that any such deposits may be moved to a qualifying bank within thirty (30) days after the Borrower, Guarantor or Subsidiary has knowledge that any depository bank no longer has total assets in excess of such amounts;

(c) securities commonly known as "commercial paper" issued by a corporation organized and existing under the laws of the United States of America or any state thereof, or in both cases any governmental subdivision, that at the time of purchase have been rated and the ratings for which are not less than "P 1" if rated by Moody's, and not less than "A 1" if rated by S&P;

(d) Investments existing on the Closing Date and listed on SCHEDULE 8.3(d) hereto;

(e) So long as no Event of Default enumerated in Section 8.7(a)(ii) has occurred and is continuing or would occur after giving effect thereto, acquisitions of Real Estate consistent with the requirements of the fourth sentence of Section 7.7 hereof and the equity of Persons, PROVIDED (i) that within thirty (30) days after any such Investment the total assets of MCRLP, MCRC and their Subsidiaries, taken as a whole, shall be comprised of assets of which eighty-five percent (85%) or more comply with the parameters of the fourth sentence of Section 7.7 hereof and (ii) that the Borrower shall not permit any of its Subsidiaries which is not a Guarantor, or which does not become a Guarantor, to acquire any Unencumbered Property, and in all cases such Guarantor shall be a wholly-owned Subsidiary of MCRLP;

(f) any Investments now or hereafter made in the Borrower, any Guarantor or other Subsidiary, as identified or which will be identified from time to time in SCHEDULE 8.3(f) hereto, which SCHEDULE 8.3(f) shall be updated annually at the time of the delivery of the financial statements referred to in Section 7.4(a) hereof;

(g) Investments in respect of (1) equipment, inventory and other tangible personal property acquired in the ordinary course of business, (2) current trade and customer accounts receivable for services rendered in

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the ordinary course of business and payable in accordance with customary trade terms, (3) advances to employees for travel expenses, drawing accounts and similar expenditures, and (4) prepaid expenses made in the ordinary course of business;

(h) any other Investments made in the ordinary course of business and consistent with past business practices;

(i) interest rate hedges in connection with Indebtedness;

(j) shares of so-called "money market funds" registered with the SEC under the Investment Company Act of 1940 which maintain a level per-share value, invest principally in marketable direct or guaranteed obligations of the United States of America and agencies and instrumentalities thereof, and have total assets in excess of \$50,000,000 provided that any such shares are moved to a qualifying money market fund within thirty (30) days after the Borrower, any Guarantor or any Subsidiary has knowledge that any money market fund no longer has total assets in excess of that amount; and

(k) Investments permitted under Section 9.8 hereof.

Section 8.4. MERGER, CONSOLIDATION AND DISPOSITION OF ASSETS.

None of the Borrower, any Guarantor, any Operating Subsidiary or any wholly-owned Subsidiary will:

(a) Become a party to any merger, consolidation or reorganization without the prior Unanimous Lender Approval, except that so long as no Default or Event of Default has occurred and is continuing, or would occur after giving effect thereto, the merger, consolidation or reorganization of one or more Persons with and into the Borrower, any Guarantor, or any wholly-owned Subsidiary, shall be permitted if (i) such action is not hostile, (ii) the Borrower, any Guarantor, or any wholly-owned Subsidiary, as the case may be, is the surviving entity and (iii) such merger, consolidation or reorganization does not cause a breach of Section 7.23 hereof or a Default or Event of Default under Section 12.1(m) hereof; PROVIDED, that for any such merger, consolidation or reorganization (other than (w) the merger or consolidation of one or more Subsidiaries of MCRLP with and into MCRLP, (x) the merger or consolidation of two or more Subsidiaries of MCRLP, (y) the merger or consolidation of one or more Subsidiaries of MCRC with and into MCRC, or (z) the merger or consolidation of two or more Subsidiaries of MCRC), the Borrower shall provide to the Administrative Agent a statement in the form of EXHIBIT D hereto signed by the chief financial officer or treasurer or vice president of finance or other thereon designated officer of the Borrower and setting forth in reasonable detail

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computations evidencing compliance with the covenants contained in Section 9 hereof and certifying that no Default or Event of Default has occurred and is continuing, or would occur and be continuing after giving effect to such

merger, consolidation or reorganization and all liabilities, fixed or contingent, pursuant thereto;

(b) Sell, transfer or otherwise dispose of (collectively and individually, "SELL" or a "SALE") or grant a Lien to secure Indebtedness (an "INDEBTEDNESS LIEN") on any of its now owned, ground leased or hereafter acquired assets without obtaining the prior written consent of the Required Lenders, except after written notice to the Administrative Agent for:

(i) the Sale of or granting of an Indebtedness Lien on any Unencumbered Property or other Real Estate so long as no Default or Event of Default has then occurred and is continuing, or would occur and be continuing after giving effect to such Sale or Indebtedness Lien; PROVIDED, that prior to any Sale of any Unencumbered Property or other Real Estate or the granting of an Indebtedness Lien under this clause (i), the Borrower shall provide to the Administrative Agent a statement in the form of EXHIBIT D hereto signed by the chief financial officer or treasurer or vice president of finance or other thereon designated officer of the Borrower and setting forth in reasonable detail computations evidencing compliance with the covenants contained in Section 9 hereof and certifying that no Default or Event of Default has occurred and is continuing, or would occur and be continuing after giving effect to such proposed Sale or Indebtedness Lien and all liabilities, fixed or contingent, pursuant thereto; and PROVIDED FURTHER, if such Sale involves a qualified, deferred exchange under Section 1031 of the Code, the Borrower shall also provide the statements and certifications described in the previous proviso on the date of any release from the escrow account of the proceeds of such qualified, deferred exchange under Section 1031 of the Code;

(ii) the Sale of or the granting of an Indebtedness Lien on any Unencumbered Property while a Default or Event of Default (other than a Default or an Event of Default under Section 12.1(a) (including, without limitation, any such failure to pay resulting from acceleration of the Loans), Section 12.1(b), Section 12.1(c) (resulting from a failure to comply with Section 7.7 (as to the legal existence and REIT status of MCRC) or Section 9), Section 12.1(g), Section 12.1(h), or Section 12.1(j)) has then occurred and is continuing or would occur and be continuing after giving effect to such Sale or Indebtedness Lien; PROVIDED, that the Borrower shall (A) apply the net proceeds of each such permitted Sale or Indebtedness Lien to the repayment of the Loans or (B) segregate the net proceeds of such permitted Sale or Indebtedness Lien in an escrow account with the Administrative Agent or with a financial institution

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reasonably acceptable to the Administrative Agent and apply such net proceeds solely to a qualified, deferred exchange under Section 1031 of the Code or to another use with the prior written approval of the Required Lenders or (C) complete an exchange of such Unencumbered Property for other real property of equivalent value under Section 1031 of the Code so long as such other real property becomes an Unencumbered Property upon acquisition, and, in any event, on the date of such Sale or granting of an Indebtedness Lien and on the date of any release from the escrow account of the proceeds of the qualified, deferred exchange under Section 1031 of the Code, the Borrower shall provide to the Administrative Agent a statement in the form of EXHIBIT D hereto signed by the chief financial officer, or treasurer or vice president of finance or other thereon designated officer and setting forth in reasonable detail computations evidencing compliance with the covenant in Section 9 hereof and certifying the use of the proceeds of such Sale or Indebtedness Lien and certifying that no Default or Event of Default above enumerated has occurred and is continuing or would occur and be continuing after giving effect to such Sale or Indebtedness Lien, and all liabilities fixed or contingent pursuant thereto or to such release of proceeds;

(iii) the Sale of or the granting of an Indebtedness Lien on any Real Estate (other than an Unencumbered Property) while a Default or Event of Default has then occurred and is continuing or would occur and be continuing after giving effect to such Sale or Indebtedness Lien; PROVIDED, that the Borrower shall (A) apply the net proceeds of each such Sale or Indebtedness Lien to the repayment of the Loans or (B) segregate the net proceeds of such Sale or Indebtedness Lien in an escrow account with the Administrative Agent or with a financial institution reasonably acceptable to the Administrative Agent and apply such net proceeds solely to a qualified, deferred exchange under Section 1031 of the Code or to another use with the prior written approval of the Required Lenders or (C) complete an exchange of such Real Estate for other real property of equivalent value under Section 1031 of the Code;

(iv) the Sale or granting of an Indebtedness Lien on any Unencumbered Property while any Default or Event of Default has then occurred and is continuing PROVIDED (A) the Borrower shall provide to the Administrative Agent a statement in the form of EXHIBIT D hereto signed by the chief financial officer or treasurer or vice president of finance or other thereon designated officer of the Borrower and setting forth in reasonable detail computations evidencing the status of compliance with the covenants contained in Section 9 hereof and certifying that the continuing Default or Event of Default will be cured by such proposed Sale or Indebtedness Lien and no other Default or Event of Default would occur

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and be continuing after giving effect to such proposed Sale or Indebtedness Lien and all liabilities fixed or contingent, pursuant thereto and (B) the Sale or granting of an Indebtedness Lien pursuant to this Section 8.4(b) (iv) shall not (x) occur more than four times during the period that any Commitment is outstanding, (y) involve a Sale or Indebtedness Lien for greater than \$200,000,000 in the aggregate in the combined four permitted occasions (which shall be the maximum number of permitted occasions) under (x), or (z) involve a Sale at less than fair market value or an Indebtedness Lien on terms more onerous or expensive than fair market terms from institutional lenders; and

(v) the Sale of or the granting of an Indebtedness Lien on any of its now owned or hereafter acquired assets (other than Real Estate) in one or more transactions.

Section 8.5. NEGATIVE PLEDGE. From and after the date hereof, neither the Borrower nor any Guarantor will, and will not permit any Subsidiary to, enter into any agreement containing any provision prohibiting the creation or assumption of any Lien upon its properties (other than prohibitions on liens for particular assets (other than an Unencumbered Property) set forth in a security instrument in connection with Secured Indebtedness for such assets and the granting or effect of such liens does not otherwise constitute a Default or Event of Default), revenues or assets, whether now owned or hereafter acquired, or restricting the ability of the Borrower or the Guarantors to amend or modify this Agreement or any other Loan Document. The Borrower shall be permitted a period of (i) thirty (30) days to cure any Non-Material Breach affecting other than MCRC or MCRLP and (ii) ten (10) days to cure any Non-Material Breach affecting MCRC or MCRLP under this Section 8.5 before the same shall be an Event of Default under Section 12.1(c).

Section 8.6. COMPLIANCE WITH ENVIRONMENTAL LAWS. None of the Borrower, any Guarantor, or any Subsidiary will do any of the following: (a) use any of the Real Estate or any portion thereof as a facility for the handling, processing, storage or disposal of Hazardous Substances except for quantities of Hazardous Substances used in the ordinary course of business and in compliance with all applicable Environmental Laws, (b) cause or permit to be located on any of the Real Estate any underground tank or other underground storage receptacle for Hazardous Substances except in compliance with Environmental Laws, (c) generate any Hazardous Substances on any of the Real Estate except in compliance with Environmental Laws, or (d) conduct any activity at any Real Estate or use any Real Estate in any manner so as to cause a Release causing a violation of Environmental Laws or a Material Adverse Effect or a violation of any Environmental Law; PROVIDED that a breach of this covenant shall result in the affected Real Estate no longer being an Unencumbered Property, but shall

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only constitute an Event of Default under Section 12.1(d) if such breach is not a Non-Material Breach.

Section 8.7. DISTRIBUTIONS. (a) The Borrower (i) will not in any period of four (4) consecutive completed fiscal quarters make Distributions with respect to common stock or other common equity interests in such period in an aggregate amount in excess of 90% of Funds From Operations for such period (for purposes of this clause, non-cash assets or interests in non-cash assets which are distributed to equity interest holders of the Borrower shall be valued at the value of such assets used in calculating Consolidated Total Capitalization) or (ii) will not make any Distributions during any period when any Event of Default under Section 12.1(a) (including, without limitation, any failure to pay resulting from acceleration of the Loans) Section 12.1(b), Section 12.1(c) resulting from a failure to comply with Section 7.7 (as to the legal existence and REIT status of MCRC), Section 9, Section 12.1(g), Section 12.1(h), or Section 12.1(j) has occurred and is continuing or (iii) will not make any Distributions or transfers of cash or

cash equivalents to any Guarantor or its Subsidiaries when such Person is the subject of a Permitted Event except as required by order of the tribunal in which such Permitted Event is occurring; and except that such Person may make Distributions or transfers of cash or cash equivalents permitted under Section 7.24 to a Guarantor or Subsidiary while such distributing Person is the subject of a Permitted Event; PROVIDED, HOWEVER, that the Borrower may at all times make Distributions (after taking into account all available funds of MCRC from all other sources) in the minimum aggregate amount required in order to enable MCRC to continue to qualify as a REIT. In the event that MCRC or MCRLP raises equity during the term of this Agreement, the permitted percentage of Distributions will be adjusted based on the total declared distribution per share and partnership units over the most recent four (4) quarters to Funds From Operations per weighted average share and partnership unit based on the most recent four (4) quarters.

(b) MCRC will not, during any period when any Event of Default has occurred and is continuing, make any Distributions in excess of the Distributions required to be made by MCRC in order to maintain its status as a REIT.

Section 8.8. EMPLOYEE BENEFIT PLANS. None of the Borrower, any Guarantor or any ERISA Affiliate will

(a) engage in any "prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975 of the Code which could result in a material liability for the Borrower, any Guarantor or any of their respective Subsidiaries; or

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(b) permit any Guaranteed Pension Plan to incur an "accumulated funding deficiency", as such term is defined in Section 302 of ERISA, whether or not such deficiency is or may be waived; or

(c) fail to contribute to any Guaranteed Pension Plan to an extent which, or terminate any Guaranteed Pension Plan in a manner which, could result in the imposition of a lien or encumbrance on the assets of the Borrower, any Guarantor or any of their respective Subsidiaries pursuant to Section 302(f) or Section 4068 of ERISA; or

(d) amend any Guaranteed Pension Plan in circumstances requiring the posting of security pursuant to Section 307 of ERISA or Section 401(a) (29) of the Code; or

(e) permit or take any action which would result in the aggregate benefit liabilities (with the meaning of Section 4001 of ERISA) of all Guaranteed Pension Plans exceeding the value of the aggregate assets of such Plans, disregarding for this purpose the benefit liabilities and assets of any such Plan with assets in excess of benefit liabilities; PROVIDED that none of (a) - (e) shall be an Event of Default under Section 12.1(c) if the prohibited matters occurring are in the aggregate within the Dollar limits permitted within Section 12.1(l) and are otherwise the subject of the matters that are covered by the Events of Default in Section 12.1(l)

Section 8.9. FISCAL YEAR. The Borrower will not, and will not permit the Guarantors or any of their respective Subsidiaries to, change the date of the end of its fiscal year from that set forth in Section 6.5; provided that such persons may change their respective fiscal years if they give the Administrative Agent thirty (30) days prior written notice of such change and the parties make appropriate adjustments satisfactory to the Borrower and the Lenders to the provisions of this Agreement (including without limitation those set forth in Section 9) to reflect such change in fiscal year.

Section 9. FINANCIAL COVENANTS OF THE BORROWER. The Borrower covenants and agrees that, so long as any Loan, Letter of Credit or Note is outstanding or any Lender has any obligation to make any Loan or any Lender has any obligation to issue, extend or renew any Letters of Credit:

Section 9.1. LEVERAGE RATIO. As at the end of any fiscal quarter or other date of measurement, the Borrower shall not permit Consolidated Total Liabilities to exceed 55% of Consolidated Total Capitalization.

Section 9.2. SECURED INDEBTEDNESS. As at the end of any fiscal quarter or other date of measurement, the Borrower shall not permit Consolidated Secured Indebtedness to exceed 40% of Consolidated Total Capitalization.

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Section 9.3. TANGIBLE NET WORTH. As at the end of any fiscal quarter or any other date of measurement, the Borrower shall not permit Consolidated Tangible Net Worth to be less than the sum of (a) \$1,500,000,000 PLUS (b) 75% of the sum of (i) the aggregate proceeds received by MCRC (net of fees and

expenses customarily incurred in transactions of such type) in connection with any offering of stock in MCRC and (ii) the aggregate value of operating units issued by MCRLP in connection with asset or stock acquisitions (valued at the time of issuance by reference to the terms of the agreement pursuant to which such units are issued), in each case after the Closing Date and on or prior to the date such determination of Consolidated Tangible Net Worth is made.

Section 9.4. DEBT SERVICE COVERAGE. As at the end of any fiscal quarter or other date of measurement, the Borrower shall not permit Consolidated Adjusted Net Income to be less than two (2) times Consolidated Total Debt Service, based on the results of the most recent two (2) complete fiscal quarters. For purposes of this Section 9.4, the Consolidated Total Debt Service of the Borrower shall include, on a net basis, positive amortization and negative amortization of each of the Harborside Assumed Debt.

Section 9.5. FIXED CHARGE COVERAGE. As at the end of any fiscal quarter or other date of measurement, the Borrower shall not permit Consolidated Adjusted Net Income to be less than one and three-quarters (1.75) times Consolidated Fixed Charges, based on the results of the most recent two (2) complete fiscal quarters.

Section 9.6. UNSECURED INDEBTEDNESS. As at the end of any fiscal quarter or other date of measurement, the Borrower shall not permit Consolidated Unsecured Indebtedness to exceed 60% of the sum (the "Section 9.6 Sum") of (a) aggregate Capitalized Unencumbered Property NOI for all Unencumbered Properties plus (b) the value of all Eligible Cash 1031 Proceeds resulting from the sale of Unencumbered Properties.

Section 9.7. UNENCUMBERED PROPERTY DEBT SERVICE COVERAGE. As at the end of any fiscal quarter or other date of measurement, the Borrower shall not permit the aggregate Adjusted Unencumbered Property NOI for all Unencumbered Properties to be less than two (2) times Consolidated Total Unsecured Debt Service, based on the results of the most recent two (2) complete fiscal quarters.

Section 9.8. INVESTMENT LIMITATION. None of the Borrower, any Guarantor, or any Subsidiary will make or permit to exist or to remain outstanding any Investment in violation of the following restrictions and limitations:

(a) As at the end of any fiscal quarter or other date of measurement, the book value of Unimproved Non-Income Producing Land shall not exceed ten (10%) of Consolidated Total Capitalization.

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(b) Investments in Opportunity Funds shall be Without Recourse to the Borrower, the Guarantors and their Subsidiaries other than as expressly permitted in the definition of Opportunity Fund, shall otherwise comply with the requirements of the definition of Opportunity Fund, and shall not exceed the lesser of 7.5% of Consolidated Total Capitalization or \$200,000,000.

(c) As at the end of any fiscal quarter or other date of measurement, the aggregate Project Costs of all Construction-in-Process shall not exceed fifteen (15%) percent of Consolidated Total Capitalization. For purposes of this Section 9.8(c), Construction-in-Process shall not include so-called "build to suit" properties which are (i) seventy-five (75%) percent pre-leased (by rentable square foot) to tenants which have a minimum credit rating of BBB-from S&P or Baa3 from Moody's, as the case may be, or which have a financial condition reasonably acceptable to the Majority Lenders (provided that the Borrower shall submit any such request for the Lender's acceptance of a tenant's financial condition to the Administrative Agent in writing, and the Administrative Agent shall, in turn, promptly forward such request to each Lender; each Lender shall then have five (5) Business Days from its deemed receipt of such request to approve or disapprove of such tenant's financial condition, with any Lender's failure to send notice of disapproval to the Administrative Agent within five (5) Business Days being deemed to be its approval) and (ii) in substantial compliance, with respect to both time and cost, with the original construction budget and construction schedule, as amended by change orders or otherwise updated. A property shall continue to be considered Construction-in-Process until the date of substantial completion of such property; from such date, it will continue to be valued (for financial covenant compliance purposes) as if it were Construction-in-Process until the earlier of (i) the end of four (4) consecutive quarters following substantial completion and (ii) the date upon which such property is 90% leased to tenants who are then paying rent.

(d) As at the end of any fiscal quarter or other date of measurement, the value of Indebtedness of third parties to the Borrower, the Guarantors, or their Subsidiaries for borrowed money which is unsecured or is secured by mortgage liens (valued at the book value of such Indebtedness) shall not exceed fifteen (15%) percent of Consolidated Total Capitalization.

(e) The Investments set forth in clauses (a) through (d) above, taken in the aggregate, shall not exceed thirty (30%) percent of Consolidated Total Capitalization.

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(f) Investments in Real Estate other than office, office flex, and industrial/warehouse properties, taken in the aggregate, shall not exceed fifteen (15%) of Consolidated Total Capitalization.

Section 9.9. COVENANT CALCULATIONS.

(a) For purposes of the calculations to be made pursuant to Sections 9.1-9.8 (and the defined terms relevant thereto, including, without limitation, those relating to "debt service"), references to Indebtedness or liabilities of the Borrower shall mean Indebtedness or liabilities (including, without limitation, Consolidated Total Liabilities) of the Borrower, PLUS (but without double-counting):

(i) all Indebtedness or liabilities of the Operating Subsidiaries, the Guarantors and any other wholly-owned Subsidiary (excluding any such Indebtedness or liabilities owed to the Borrower or any Guarantor; PROVIDED that, as to MCRC, MCRC has a corresponding Indebtedness or liability to the Borrower),

(ii) all Indebtedness or liabilities of each Partially-Owned Entity (including for Capitalized Leases), but only to the extent, if any, that said Indebtedness or liability is Recourse to the Borrower, the Guarantors or their respective Subsidiaries or any of their respective assets (other than their respective interests in such Partially-Owned Entity); PROVIDED that Recourse Indebtedness arising from such Person's acting as general partner or guarantor of collection only (and not of payment or performance) of a Partially-Owned Entity shall be limited to the amount by which the Indebtedness exceeds the liquidation value of the Real Estate and other assets owned by such Partially-Owned Entity if the creditor owed such Indebtedness is required by law or by contract to seek repayment of such Indebtedness from such Real Estate and other assets before seeking repayment from such Person, and

(iii) Indebtedness or liabilities of each Partially-Owned Entity to the extent of the pro-rata share of such Indebtedness or liability allocable to the Borrower, the Guarantors or their respective Subsidiaries without double counting.

(b) For purposes of Sections 9.1-9.8 hereof, Consolidated Adjusted Net Income, Revised Consolidated Adjusted Net Income, Adjusted Unencumbered Property NOI and Revised Adjusted Unencumbered Property NOI (and all defined terms and calculations using such terms) shall be adjusted (i) to deduct the actual results of any Real Estate disposed of by the Borrower, a Guarantor or any of their respective Subsidiaries during the relevant fiscal period (for

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Revised Consolidated Adjusted Net Income and Revised Adjusted Unencumbered Property NOI only), (ii) to include the pro forma results of any Real Estate acquired by the Borrower, a Guarantor or any of their respective Subsidiaries during the relevant fiscal period, with such pro forma results being calculated by (x) using the Borrower's pro forma projections for such acquired property, subject to the Administrative Agent's reasonable approval, if such property has been owned by the Borrower, a Guarantor or any of their respective Subsidiaries for less than one complete fiscal quarter or (y) using the actual results for such acquired property and adjusting such results for the appropriate period of time required by the applicable financial covenant, if such property has been owned by the Borrower, a Guarantor or any of their respective Subsidiaries for at least one complete fiscal quarter (for Revised Consolidated Adjusted Net Income and Revised Adjusted Unencumbered Property NOI only) and (iii) to the extent applicable, to include the pro rata share of results attributable to the Borrower from unconsolidated Subsidiaries of MCRC, the Borrower and their respective Subsidiaries and from unconsolidated Partially-Owned Entities; PROVIDED that income shall not be included until received without restriction in cash by the Borrower.

(c) For purposes of Sections 9.1 - 9.8 hereof, if any change in GAAP after the Financial Statement Date results in a material change in the calculation to be performed in any such Section, solely as a result of such change in GAAP, the Lenders and the Borrower shall negotiate in good faith a modification of any such covenant(s) so that the economic effect of the calculation of such covenant(s) using GAAP as so changed is as close as feasible to what the economic effect of the calculation of such

covenant(s) would have been using GAAP in effect as of the Financial Statement Date.

(d) For purposes of Sections 9.1-9.8 hereof, Consolidated Total Capitalization and the Section 9.6 Sum (as such term is defined in Section 9.6 hereof) shall be adjusted (without double-counting) to include the Eligible Cash 1031 Proceeds from any Real Estate disposed of by the Borrower, a Guarantor or any of their respective Subsidiaries and for which the results have been deducted pursuant to Section 9.9(b).

Section 10. CONDITIONS TO THE CLOSING DATE. The obligations of the Lenders to make the initial Revolving Credit Loans and of the Fronting Bank to issue any initial Letters of Credit shall be subject to the satisfaction of the following conditions precedent:

Section 10.1. LOAN DOCUMENTS. Each of the Loan Documents shall have been duly executed and delivered by the respective parties thereto and shall be in full force and effect.

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Section 10.2. CERTIFIED COPIES OF ORGANIZATION DOCUMENTS. The Administrative Agent shall have received (i) from the Borrower and each of the Subsidiary Guarantors a copy, certified as of the Closing Date by a duly authorized officer of such Person (or its general partner, if such Person is a partnership, or its managing member, if such Person is a limited liability company), to be true and complete, of each of its certificate of limited partnership, agreement of limited partnership, incorporation documents, by-laws, certificate of formation, operating agreement and/or other organizational documents as in effect on the Closing Date; provided that any Subsidiary Guarantor which has previously delivered such organizational documents may satisfy this condition by providing a certificate of a duly authorized officer of such Person as to the absence of changes or as to the changes, if any, to those organizational documents previously delivered, and (ii) from MCRC a copy, certified as of a date within thirty (30) days prior to the Closing Date by the appropriate officer of the State of Maryland to be true and correct, of the corporate charter of MCRC, in each case along with any other organization documents of the Borrower and each Subsidiary Guarantor (and its general partner, if such Person is a partnership, or its managing member, if such Person is a limited liability company) or MCRC, as the case may be, and each as in effect on the date of such certification.

Section 10.3. BY-LAWS; RESOLUTIONS. All action on the part of the Borrower, the Subsidiary Guarantors and MCRC necessary for the valid execution, delivery and performance by the Borrower, the Subsidiary Guarantors and MCRC of this Agreement and the other Loan Documents to which any of them is or is to become a party as of the Closing Date shall have been duly and effectively taken, and evidence thereof satisfactory to the Lenders shall have been provided to the Administrative Agent. Without limiting the foregoing, the Administrative Agent shall have received from MCRC true copies of its by-laws and the resolutions adopted by its board of directors authorizing the transactions described herein and evidencing the due authorization, execution and delivery of the Loan Documents to which MCRC and the Borrower and Subsidiary Guarantors of which MCRC is a controlling Person are a party, each certified by the secretary as of a recent date to be true and complete.

Section 10.4. INCUMBENCY CERTIFICATE; AUTHORIZED SIGNERS. The Administrative Agent shall have received from each of the Borrower, MCRC and the Subsidiary Guarantors an incumbency certificate, dated as of the Closing Date, signed by a duly authorized officer of such Person and giving the name of each individual who shall be authorized: (a) to sign, in the name and on behalf of such Person, each of the Loan Documents to which such Person is or is to become a party as of the Closing Date; (b) in the case of the Borrower, to make Loan Requests, Conversion Requests and Competitive Bid Requests and to apply for Letters of Credit on behalf of the Borrower; and (c) in the case of the Borrower, to give

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notices and to take other action on behalf of the Borrower and the Guarantors under the Loan Documents.

Section 10.5. TITLE POLICIES. The Administrative Agent (on behalf of the Lenders) shall have received copies of the Title Policies for all Real Estate which are Unencumbered Properties as of the Closing Date. For any Person that has converted from one form of entity to another (e.g., from being a limited partnership to a limited liability company) since the time that it provided the Administrative Agent with a Title Policy for an Unencumbered Property, such Person shall deliver to the Administrative Agent recorded evidence that title to such Unencumbered Property is vested in such Person as the new form of entity. Such evidence shall be either a deed or an amendment to the organizational documents of such Person, together with

evidence of the continued effectiveness of such Title Policy.

Section 10.6. CERTIFICATES OF INSURANCE. The Administrative Agent shall have received (a) current certificates of insurance as to all of the insurance maintained by the Borrower and its Subsidiaries on the Real Estate (including flood insurance if necessary) from the insurer or an independent insurance broker, identifying insurers, types of insurance, insurance limits, and policy terms; and (b) such further information and certificates from the Borrower, its insurers and insurance brokers as the Administrative Agent may reasonably request.

Section 10.7. ENVIRONMENTAL SITE ASSESSMENTS. The Administrative Agent shall have received environmental site assessments from a hydrogeologist, environmental engineer, qualified consultant or other expert and in form and substance reasonably satisfactory to the Administrative Agent, covering all Real Estate and all other real property in respect of which the Borrower or any of its Subsidiaries may have material liability, whether contingent or otherwise, for dumping or disposal of Hazardous Substances and which are in the possession of the Borrower.

Section 10.8. OPINION OF COUNSEL CONCERNING ORGANIZATION AND LOAN DOCUMENTS. Each of the Lenders and the Administrative Agent shall have received favorable opinions addressed to the Lenders and the Administrative Agent in form and substance reasonably satisfactory to the Lenders and the Administrative Agent from (a) Pryor Cashman Sherman & Flynn LLP, as counsel to the Borrower, the Subsidiary Guarantors, MCRC and their respective Subsidiaries, with respect to New York and New Jersey law and certain matters of Delaware law, (b) Ballard, Spahr, Andrews and Ingersoll, as counsel to MCRC, with respect to Maryland and District of Columbia law, (c) Cohn, Birnbaum & Shea, as counsel to the Borrower and the Subsidiary Guarantors with respect to Connecticut law, (d) McCausland, Keen & Buckman, as counsel to the Borrower and the Subsidiary

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Guarantors with respect to Pennsylvania law, (e) Jones, Day, Reavis & Pogue, as counsel to the Borrower and the Subsidiary Guarantors with respect to Texas and California law, (f) Holland & Knight, as counsel to the Borrower and the Subsidiary Guarantors with respect to Florida law, (g) Blackwell, Sanders, Pepper & Martin LLP, as counsel to the Borrower and the Subsidiary Guarantors with respect to Nebraska law, (h) Davis, Brown, Koehn, Shors & Robert, as counsel to the Borrower and the Subsidiary Guarantors with respect to Iowa law; and (i) Santin, Poli, Ball, Sims & Cook, P.L.C., as counsel to the Borrower and the Subsidiary Guarantors with respect to Arizona law.

Section 10.9. TAX AND SECURITIES LAW COMPLIANCE. Each of the Lenders and the Administrative Agent shall also have received from Pryor Cashman Sherman & Flynn LLP, as counsel to the Borrower and MCRC, a favorable opinion addressed to the Lenders and the Administrative Agent, in form and substance satisfactory to each of the Lenders and the Administrative Agent, with respect to the qualification of MCRC as a REIT and certain other tax and securities laws matters.

Section 10.10. GUARANTIES. Each of the Guaranties to be executed and delivered on the Closing Date shall have been duly executed and delivered by the Guarantor thereunder. Each of the Subsidiary Guarantors that executed and delivered a Subsidiary Guaranty under the Original Agreement shall have executed and delivered to the Administrative Agent a reaffirmation of such Subsidiary Guaranty in form and substance reasonably satisfactory to the Administrative Agent confirming that such Subsidiary Guaranty remains in full force and effect and continues to guaranty the Obligations hereunder.

Section 10.11. CERTIFICATIONS FROM GOVERNMENT OFFICIALS; UCC-11 REPORTS. The Administrative Agent shall have received (i) long-form certifications from government officials evidencing the legal existence, good standing and foreign qualification of the Borrower and each Guarantor, along with a certified copy of the certificate of limited partnership or certificate of incorporation of the Borrower and each Guarantor, all as of the most recent practicable date; and (ii) UCC-11 search results from the appropriate jurisdictions for the Borrower and each Guarantor with respect to the Unencumbered Properties.

Section 10.12. PROCEEDINGS AND DOCUMENTS. All proceedings in connection with the transactions contemplated by this Agreement, the other Loan Documents and all other documents incident thereto shall be satisfactory in form and substance to each of the Lenders', the Borrower's, the Guarantors' and the Administrative Agent's counsel, and the Administrative Agent, each of the Lenders and such counsel shall have received all information and such counterpart originals or certified or other copies of such documents as the Administrative Agent may reasonably request.

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Section 10.13. FEES. The Borrower shall have paid to the Administrative Agent, for the accounts of the Lenders, the Syndication Agent, the Arrangers or for its own account, as applicable, all of the fees and expenses that are due and payable as of the Closing Date in accordance with this Agreement and the Fee Letter.

Section 10.14. CLOSING CERTIFICATE; COMPLIANCE CERTIFICATE. The Borrower shall have delivered a Closing Certificate to the Administrative Agent, the form of which is attached hereto as EXHIBIT E. The Borrower shall have delivered a compliance certificate in the form of EXHIBIT D hereto evidencing compliance with the covenants set forth in Section 9 hereof, the absence of any Default or Event of Default, and the accuracy of all representations and warranties in all material respects.

Section 10.15. SUBSEQUENT GUARANTORS. As a condition to the effectiveness of any subsequent Guaranty, each subsequent Guarantor shall deliver such documents, agreements, instruments and opinions as the Administrative Agent shall reasonably require as to such Guarantor and the Unencumbered Property owned or ground-leased by such Guarantor that are analogous to the deliveries made by the Guarantors as of the Closing Date pursuant to Section 10.2 through Section 10.8, Section 10.10 and Section 10.11.

Section 10.16. NO DEFAULT UNDER ORIGINAL AGREEMENT. There shall exist no Default or Event of Default under the Original Agreement.

Section 11. CONDITIONS TO ALL BORROWINGS. The obligations of the Lenders to make any Loan and of any Lender to issue, extend or renew any Letter of Credit, in each case, whether on or after the Closing Date, shall also be subject to the satisfaction of the following conditions precedent:

Section 11.1. REPRESENTATIONS TRUE; NO EVENT OF DEFAULT; COMPLIANCE CERTIFICATE. Each of the representations and warranties of the Borrower and the Guarantors contained in this Agreement, the other Loan Documents or in any document or instrument delivered pursuant to or in connection with this Agreement shall be true as of the date as of which they were made and shall also be true at and as of the time of the making of each Loan or the issuance, extension or renewal of each Letter of Credit, with the same effect as if made at and as of that time (except to the extent (i) of changes resulting from transactions contemplated or not prohibited by this Agreement or the other Loan Documents (ii) of changes occurring in the ordinary course of business, (iii) that such representations and warranties relate expressly to an earlier date and (iv) that such untruth is disclosed when first known to the Borrower or a Guarantor in the next delivered compliance certificate, and is a Non-Material Breach); and no Default or Event

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of Default under this Agreement shall have occurred and be continuing on the date of any Loan Request or Competitive Bid Request or on the Drawdown Date of any Loan (other than a Default or Event of Default arising solely from the Borrower's failure to comply with the provision of Section 7.22 and such borrowing is to cure, and will cure, such Default or Event of Default without causing any other Default or Event of Default). Each of the Lenders shall have received a certificate of the Borrower as provided in Section 2.5(iv)(c) or Section 2A.9.

Section 11.2. NO LEGAL IMPEDIMENT. No change shall have occurred in any law or regulations thereunder or interpretations thereof that in the reasonable opinion of the Administrative Agent or any Lender would make it illegal for any Lender to make such Loan or to participate in the issuance, extension or renewal of such Letter of Credit or, in the reasonable opinion of the Administrative Agent, would make it illegal to issue, extend or renew such Letter of Credit.

Section 11.3. GOVERNMENTAL REGULATION. Each Lender shall have received such statements in substance and form reasonably satisfactory to such Lender as such Lender shall require for the purpose of compliance with any applicable regulations of the Comptroller of the Currency or the Board of Governors of the Federal Reserve System.

Section 12. EVENTS OF DEFAULT; ACCELERATION; ETC.

Section 12.1. EVENTS OF DEFAULT AND ACCELERATION. If any of the following events ("EVENTS OF DEFAULT") shall occur:

(a) the Borrower shall fail to pay any principal of the Loans when the same shall become due and payable, whether at the stated date of maturity or any accelerated date of maturity or at any other date fixed for payment; none of the foregoing is a Non-Material Breach.

(b) the Borrower shall fail to pay any interest on the Loans, the Commitment Fee, the Facility Fee, any Letter of Credit Fee or any other sums due hereunder or under any of the other Loan Documents (including,

without limitation, amounts due under Section 7.17) when the same shall become due and payable, whether at the stated date of maturity or any accelerated date of maturity or at any other date fixed for payment, and such failure continues for five (5) days; none of the foregoing is a Non-Material Breach.

(c) the Borrower or any Guarantor or any of their respective Subsidiaries shall fail to comply with any of their respective covenants contained in: Section 7.1 within ten (10) days of any such amount being due (except with respect to interest, fees and other sums covered by clause (b) above or principal covered by clause (a) above); Section 7.6 (as to the legal existence of MCRLP

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for which no period to cure is granted); Section 7.7 (as to the legal existence and REIT status of MCRC for which no period to cure is granted); Section 7.12; Section 7.21 within ten (10) days of the occurrence of same; Section 7.22 within thirty (30) days of any non-compliance; Section 8 (except with respect to Section 8.1(b), Section 8.5 for Non-Material Breaches only, or Section 8.6); or Section 9; none of the foregoing is a Non-Material Breach.

(d) the Borrower or any Guarantor or any of their respective Subsidiaries shall fail to perform any other term, covenant or agreement contained herein or in any other Loan Document (other than those specified elsewhere in this Section 12) and such failure continues for thirty (30) days (other than a Non-Material Breach (excluding Section 8.5 for which the Non-Material Breach must be cured within the thirty or ten days, as applicable, provided therein) and such cure period shall not extend any specific cure period set forth in any term, covenant or agreement covered by this Section 12.1(d)).

(e) any representation or warranty of the Borrower or any Guarantor or any of their respective Subsidiaries in this Agreement or any of the other Loan Documents or in any other document or instrument delivered pursuant to or in connection with this Agreement shall prove to have been false in any material respect upon the date when made or deemed to have been made or repeated (other than a Non-Material Breach).

(f) the Borrower or any Guarantor or any of their respective Subsidiaries shall (i) fail to pay at maturity, or within any applicable period of grace or cure, any obligation for borrowed money or credit received (other than current obligations in the ordinary course of business) or in respect of any Capitalized Leases (x) in respect of any Recourse obligations or credit in an aggregate amount in excess of \$5,000,000 (determined in accordance with Section 9.9 hereof) or (y) in respect of any Without Recourse obligations or credit in an aggregate amount in excess of \$50,000,000 (determined in accordance with Section 9.9 hereof), or (ii) fail to observe or perform any material term, covenant or agreement contained in any agreement by which it is bound, evidencing or securing borrowed money or credit received (other than current obligations in the ordinary course of business) or in respect of any Capitalized Leases (x) in respect of any Recourse obligations or credit in an aggregate amount in excess of \$5,000,000 (determined in accordance with Section 9.9 hereof) for such period of time (after the giving of appropriate notice if required) as would permit the holder or holders thereof or of any obligations issued thereunder to accelerate the maturity thereof or (y) in respect of any Without Recourse obligations or credit in an aggregate amount in excess of \$50,000,000 (determined in accordance with Section 9.9 hereof), and the holder or holders thereof shall have accelerated the maturity thereof; none of the foregoing is a Non-Material Breach.

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(g) any Credit Party (other than for a Permitted Event) shall make an assignment for the benefit of creditors, or admit in writing its inability to pay or generally fail to pay its debts as they mature or become due, or shall petition or apply for the appointment of a trustee or other custodian, liquidator or receiver of any Credit Party or of any substantial part of the properties or assets of any Credit Party (other than for a Permitted Event) or shall commence any case or other proceeding relating to any Credit Party (other than for a Permitted Event) under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law of any jurisdiction, now or hereafter in effect, or shall take any action to authorize or in furtherance of any of the foregoing, or if any such petition or application shall be filed or any such case or other proceeding shall be commenced against any Credit Party (other than for a Permitted Event) and (i) any Credit Party (other than for a Permitted Event) shall indicate its approval thereof, consent thereto or acquiescence therein or (ii) any such petition, application, case or other proceeding shall continue undismissed, or unstayed

and in effect, for a period of seventy-five (75) days.

(h) a decree or order is entered appointing any trustee, custodian, liquidator or receiver or adjudicating any Credit Party (other than for a Permitted Event) bankrupt or insolvent, or approving a petition in any such case or other proceeding, or a decree or order for relief is entered in respect of any Credit Party (other than for a Permitted Event) in an involuntary case under federal bankruptcy laws as now or hereafter constituted, and such proceeding, decree or order shall continue undismissed, or unstayed and in effect, for a period of seventy-five (75) days.

(i) there shall remain in force, undischarged, unsatisfied and unstayed, for a period of more than thirty (30) days, any uninsured final judgment against the Borrower, any Guarantor or any of their respective Subsidiaries that, with other outstanding uninsured final judgments, undischarged, unsatisfied and unstayed, against the Borrower, any Guarantor or any of their respective Subsidiaries exceeds in the aggregate \$10,000,000 (other than for a Permitted Event).

(j) any of the Loan Documents or any material provision of any Loan Documents shall be canceled, terminated, revoked or rescinded otherwise than in accordance with the terms thereof or with the express prior written agreement, consent or approval of the Administrative Agent, or any Guaranty shall be canceled, terminated, revoked or rescinded at any time or for any reason whatsoever, or any action at law, suit or in equity or other legal proceeding to make unenforceable, cancel, revoke or rescind any of the Loan Documents shall be commenced by or on behalf of the Borrower or any of its Subsidiaries or any Guarantor or any of its Subsidiaries, or any court or any other governmental or

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regulatory authority or agency of competent jurisdiction shall make a determination that, or issue a judgment, order, decree or ruling to the effect that, any one or more of the Loan Documents is illegal, invalid or unenforceable as to any material terms thereof, other than as any of the same may occur from a Permitted Event permitted by this Agreement.

(k) any "Event of Default" or default (after notice and expiration of any period of grace, to the extent provided, and if none is specifically provided or denied, then for a period of thirty (30) days after notice), as defined or provided in any of the other Loan Documents, shall occur and be continuing.

(l) the Borrower or any ERISA Affiliate incurs any liability to the PBGC or a Guaranteed Pension Plan pursuant to Title IV of ERISA in an aggregate amount exceeding \$5,000,000, or the Borrower or any ERISA Affiliate is assessed withdrawal liability pursuant to Title IV of ERISA by a Multiemployer Plan requiring aggregate annual payments exceeding \$5,000,000, or any of the following occurs with respect to a Guaranteed Pension Plan: (i) an ERISA Reportable Event, or a failure to make a required installment or other payment (within the meaning of Section 302(f)(1) of ERISA), PROVIDED that the Administrative Agent determines in its reasonable discretion that such event (A) could be expected to result in liability of the Borrower or any of its Subsidiaries to the PBGC or such Guaranteed Pension Plan in an aggregate amount exceeding \$5,000,000 and (B) could constitute grounds for the termination of such Guaranteed Pension Plan by the PBGC, for the appointment by the appropriate United States District Court of a trustee to administer such Guaranteed Pension Plan or for the imposition of a lien in favor of such Guaranteed Pension Plan; or (ii) the appointment by a United States District Court of a trustee to administer such Guaranteed Pension Plan; or (iii) the institution by the PBGC of proceedings to terminate such Guaranteed Pension Plan; to the extent that any breach of Section 6.16 or Section 7.20 is a matter that constitutes a specific breach of a provision of this Section 12.1(1), the breach of Section 6.16 or Section 7.20 shall not be a Non-Material Breach.

(m) Notwithstanding the provisions of Section 8.4(a), any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under said Act) of 40% or more of the outstanding shares of common stock of MCRC in a transaction or a series of related transactions and, if at any time within one (1) year following such acquisition (i) fewer than four (4) of the six (6) Key Management Individuals (as defined in Section 7.23) remain active in the executive and/or operational management in their current (or comparable) positions with MCRC or (ii) individuals who were directors of MCRC on the date

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of such acquisition shall cease to constitute a majority of the voting members of the board of directors of MCRC.

then, and in any such event, so long as the same may be continuing, the Administrative Agent may, and upon the request of the Required Lenders shall, by notice in writing to the Borrower, declare all amounts owing with respect to this Agreement, the Notes and the other Loan Documents and all Reimbursement Obligations to be, and they shall thereupon forthwith become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower and each Guarantor; PROVIDED that in the event of any Event of Default specified in Section 12.1(g) or Section 12.1(h), all such amounts shall become immediately due and payable automatically and without any requirement of notice from any of the Lenders or the any of Administrative Agent or action by the Lenders or the Administrative Agent.

A Non-Material Breach shall require that the Borrower commence and continue to exercise reasonable diligent efforts to cure such breach (which shall occur within any specific time period for curing a Non-Material Breach elsewhere set forth in this Agreement if any). Such efforts may include (and for a Permitted Event shall include) the release of the affected Person(s) (other than MCRC) as the Guarantor pursuant to Section 5 so long as such release (i) cures such Non-Material Breach (ii) does not otherwise cause a Default or Event of Default, and (iii) does not have a Material Adverse Effect on the Borrower, the remaining Guarantors, and their respective Subsidiaries, taken as a whole. Continuing failure of the Borrower to comply with the requirements to commence and continue to exercise reasonable diligent efforts to cure such Non-Material Breach shall constitute a material breach after notice from the Administrative Agent.

Section 12.2. TERMINATION OF COMMITMENTS. If any one or more Events of Default specified in Section 12.1(g) or Section 12.1(h) shall occur, any unused portion of the Commitments hereunder shall forthwith terminate and the Lenders shall be relieved of all obligations to make Loans to the Borrower and the Administrative Agent and any Fronting Bank shall be relieved of all further obligations to issue, extend or renew Letters of Credit. If any other Event of Default shall have occurred and be continuing, whether or not the Lenders shall have accelerated the maturity of the Loans pursuant to Section 12.1, the Administrative Agent may, and upon the request of the Required Lenders shall, by notice to the Borrower, terminate the unused portion of the credit hereunder, and upon such notice being given such unused portion of the credit hereunder shall terminate immediately and each of the Lenders shall be relieved of all further obligations to make Loans, the Administrative Agent and any Fronting Bank shall be relieved of all further obligations to issue, extend or renew Letters of Credit. No

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such termination of the credit hereunder shall relieve the Borrower or any Guarantor of any of the Obligations or any of its existing obligations to the Lenders arising under other agreements or instruments.

Section 12.3. REMEDIES. In the event that one or more Events of Default shall have occurred and be continuing, whether or not the Lenders shall have accelerated the maturity of the Loans pursuant to Section 12.1, the Required Lenders may direct the Administrative Agent to proceed to protect and enforce the rights and remedies of the Administrative Agent and the Lenders under this Agreement, the Notes, any or all of the other Loan Documents or under applicable law by suit in equity, action at law or other appropriate proceeding (including for the specific performance of any covenant or agreement contained in this Agreement or the other Loan Documents or any instrument pursuant to which the Obligations are evidenced and, to the full extent permitted by applicable law, the obtaining of the EX PARTE appointment of a receiver), and, if any amount shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any other legal or equitable right or remedy of the Administrative Agent and the Lenders under the Loan Documents or applicable law. No remedy herein conferred upon the Lenders or the Administrative Agent or the holder of any Note or purchaser of any Letter of Credit Participation is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under any of the other Loan Documents or now or hereafter existing at law or in equity or by statute or any other provision of law.

Section 13. SETOFF. Without demand or notice, during the continuance of any Event of Default, any deposits (general or specific, time or demand, provisional or final, regardless of currency, maturity, or the branch at which such deposits are held, but specifically excluding tenant security deposits, other fiduciary accounts and other segregated escrow accounts required to be maintained by the Borrower for the benefit of any third party) or other sums credited by or due from any of the Lenders to the Borrower or its Subsidiaries or any other property of the Borrower or its Subsidiaries in the possession of the Administrative Agent or a Lender may be applied to or set off against the payment of the Obligations. Each of the Lenders agrees with each other Lender that (a) if pursuant to any agreement between such Lender and the Borrower (other than this Agreement or any other Loan

Document), an amount to be set off is to be applied to Indebtedness of the Borrower to such Lender, other than with respect to the Obligations, such amount shall be applied ratably to such other Indebtedness and to the Obligations, and (b) if such Lender shall receive from the Borrower or its Subsidiaries, whether by voluntary payment, exercise of the right of setoff, counterclaim, cross action, enforcement of the Obligations by proceedings against the Borrower or its Subsidiaries at law or in equity or by proof thereof in bankruptcy, reorganization, liquidation, receivership or similar

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proceedings, or otherwise, and shall retain and apply to the payment of the Note or Notes held by, or Reimbursement Obligations owed to, such Lender any amount in excess of its ratable portion of the payments received by all of the Lenders with respect to the Notes held by, and Reimbursement Obligations owed to, all of the Lenders, such Lender will make such disposition and arrangements with the other Lenders with respect to such excess, either by way of distribution, PRO TANTO assignment of claims, subrogation or otherwise, as shall result in each Lender receiving in respect of the Notes held by it or Reimbursement Obligations owed it, its proportionate payment as contemplated by this Agreement; PROVIDED that if all or any part of such excess payment is thereafter recovered from such Lender, such disposition and arrangements shall be rescinded and the amount restored to the extent of such recovery, but without interest. Notwithstanding the foregoing, no Lender shall exercise a right of setoff if such exercise would limit or prevent the exercise of any other remedy or other recourse against the Borrower or its Subsidiaries; and PROVIDED FURTHER, if a Lender receives any amount in connection with the enforcement by such Lender against any particular assets held as collateral for Secured Indebtedness existing on the date hereof and unrelated to the Obligations which is owing to such Lender by the Borrower, such Lender shall not be required to ratably apply such amount to the Obligations.

Section 14. THE ADMINISTRATIVE AGENT.

Section 14.1. AUTHORIZATION. (a) The Administrative Agent is authorized to take such action on behalf of each of the Lenders and to exercise all such powers as are hereunder and under any of the other Loan Documents and any related documents delegated to the Administrative Agent, together with such powers as are reasonably incident thereto, PROVIDED that no duties or responsibilities not expressly assumed herein or therein shall be implied to have been assumed by the Administrative Agent. The relationship between the Administrative Agent and the Lenders is and shall be that of agent and principal only, and nothing contained in this Agreement or any of the other Loan Documents shall be construed to constitute the Administrative Agent as a trustee or fiduciary for any Lender. Subject to the terms and conditions hereof, the Administrative Agent shall discharge its functions as "Administrative Agent" with the same degree of care as it performs administrative services for loans in which it is the sole lender.

The Administrative Agent and the Fronting Bank shall be fully justified in failing or refusing to take any action under Section 3 hereof unless it shall first have received such advice or concurrence of the Majority Lenders as it reasonably deems appropriate or it shall first be indemnified to its reasonable satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action.

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(b) The Borrower, without further inquiry or investigation, shall, and is hereby authorized by the Lenders to, assume that all actions taken by the Administrative Agent hereunder and in connection with or under the Loan Documents are duly authorized by the Lenders. The Lenders shall notify the Borrower of any successor to Administrative Agent by a writing signed by Required Lenders, which successor shall be reasonably acceptable to the Borrower so long as no Default or Event of Default has occurred and is continuing.

Section 14.2. EMPLOYEES AND AGENTS. The Administrative Agent may exercise its powers and execute its duties by or through employees or agents and shall be entitled to take, and to rely on, advice of counsel concerning all matters pertaining to its rights and duties under this Agreement and the other Loan Documents. The Administrative Agent may utilize the services of such Persons as the Administrative Agent in its sole discretion may reasonably determine, and all reasonable fees and expenses of any such Persons shall be paid by the Borrower.

Section 14.3. NO LIABILITY. Neither the Administrative Agent, nor any of its shareholders, directors, officers or employees nor any other Person assisting them in their duties nor any agent or employee thereof, shall be liable for any waiver, consent or approval given or any action taken, or omitted to be taken, in good faith by it or them hereunder or under

any of the other Loan Documents, or in connection herewith or therewith, or be responsible for the consequences of any oversight or error of judgment whatsoever, except that the Administrative Agent may be liable for losses due to its willful misconduct or gross negligence.

Section 14.4. NO REPRESENTATIONS. Neither the Administrative Agent nor the Syndication Agent shall be responsible for the execution or validity or enforceability of this Agreement, the Notes, the Letters of Credit, or any of the other Loan Documents or for the validity, enforceability or collectibility of any such amounts owing with respect to the Notes, or for any recitals or statements, warranties or representations made herein or in any of the other Loan Documents or in any certificate or instrument hereafter furnished to it by or on behalf of any Guarantor or the Borrower or any of their respective Subsidiaries, or be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements in this Agreement or the other Loan Documents. Neither the Administrative Agent nor the Syndication Agent shall be bound to ascertain whether any notice, consent, waiver or request delivered to it by the Borrower or any Guarantor or any holder of any of the Notes shall have been duly authorized or is true, accurate and complete. Neither the Administrative Agent nor the Syndication Agent has made nor does it now make any representations or warranties, express or implied, nor does it

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assume any liability to the Lenders, with respect to the credit worthiness or financial condition of the Borrower or any of its Subsidiaries or any Guarantor or any of the Subsidiaries or any tenant under a Lease or any other entity. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, the Syndication Agent or any other Lender, and based upon such information and documents as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement.

Section 14.5. PAYMENTS.

(a) A payment by the Borrower to the Administrative Agent hereunder or any of the other Loan Documents for the account of any Lender shall constitute a payment to such Lender. The Administrative Agent agrees to distribute to each Lender such Lender's pro rata share of payments received by the Administrative Agent for the account of the Lenders, as provided herein or in any of the other Loan Documents. All such payments shall be made on the date received, if before 1:00 p.m., and if after 1:00 p.m., on the next Business Day. If payment is not made on the day received, interest thereon at the overnight federal funds effective rate shall be paid pro rata to the Lenders.

(b) If in the reasonable opinion of the Administrative Agent the distribution of any amount received by it in such capacity hereunder, under the Notes or under any of the other Loan Documents might involve it in material liability, it may refrain from making distribution until its right to make distribution shall have been adjudicated by a court of competent jurisdiction, PROVIDED that interest thereon at the overnight federal funds effective rate shall be paid pro rata to the Lenders. If a court of competent jurisdiction shall adjudge that any amount received and distributed by the Administrative Agent is to be repaid, each Person to whom any such distribution shall have been made shall either repay to the Administrative Agent its proportionate share of the amount so adjudged to be repaid or shall pay over the same in such manner and to such Persons as shall be determined by such court.

(c) Notwithstanding anything to the contrary contained in this Agreement or any of the other Loan Documents, any Lender that fails (i) to make available to the Administrative Agent its pro rata share of any Loan or to purchase any Letter of Credit Participation or (ii) to comply with the provisions of Section 13 with respect to making dispositions and arrangements with the other Lenders, where such Lender's share of any payment received, whether by setoff or otherwise, is in excess of its pro rata share of such payments due and payable to all of the Lenders, in each case as, when and to the full extent required by the provisions of this Agreement, or to adjust promptly such Lender's outstanding principal and its pro rata Commitment Percentage as provided in Section 2.1, shall be deemed delinquent (a "DELINQUENT LENDER") and shall be deemed a Delinquent

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Lender until such time as such delinquency is satisfied. A Delinquent Lender shall be deemed to have assigned any and all payments due to it from the Borrower, whether on account of outstanding Loans, interest, fees or otherwise, to the remaining nondelinquent Lenders for application to, and reduction of, their respective pro rata shares of all outstanding Loans. The Delinquent Lender hereby authorizes the Administrative Agent to distribute such payments to the nondelinquent Lenders in proportion to their respective

pro rata shares of all outstanding Loans. If not previously satisfied directly by the Delinquent Lender, a Delinquent Lender shall be deemed to have satisfied in full a delinquency when and if, as a result of application of the assigned payments to all outstanding Loans of the nondelinquent Lenders, the Lenders' respective pro rata shares of all outstanding Loans have returned to those in effect immediately prior to such delinquency and without giving effect to the nonpayment causing such delinquency.

Section 14.6. HOLDERS OF NOTES. The Administrative Agent may deem and treat the payee of any Notes or the purchaser of any Letter of Credit Participation as the absolute owner or purchaser thereof for all purposes hereof until it shall have been furnished in writing with a different name by such payee or by a subsequent holder, assignee or transferee.

Section 14.7. INDEMNITY. The Lenders ratably and severally agree hereby to indemnify and hold harmless the Administrative Agent (in its capacity as such and not in its capacity as a Lender) and its Affiliates from and against any and all claims, actions and suits (whether groundless or otherwise), losses, damages, costs, expenses (including any expenses for which the Administrative Agent has not been reimbursed by the Borrower as required by Section 15), and liabilities of every nature and character arising out of or related to this Agreement, the Notes, or any of the other Loan Documents or the transactions contemplated or evidenced hereby or thereby, or the Administrative Agent's actions taken hereunder or thereunder, except to the extent that any of the same shall be directly caused by the Administrative Agent's willful misconduct or gross negligence.

Section 14.8. ADMINISTRATIVE AGENT AS LENDER. In its individual capacity as a Lender, Chase shall have the same obligations and the same rights, powers and privileges in respect to its Commitment and the Loans made by it, and as the holder of any of the Notes and as the purchaser of any Letter of Credit Participations, as it would have were it not also the Administrative Agent.

Section 14.9. NOTIFICATION OF DEFAULTS AND EVENTS OF DEFAULT. Each Lender hereby agrees that, upon learning of the existence of a default, Default or an Event of Default, it shall (to the extent notice has not previously been provided) promptly notify the Administrative Agent thereof. The Administrative Agent hereby

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agrees that upon receipt of any notice under this Section 14.9 it shall promptly notify the other Lenders of the existence of such default, Default or Event of Default.

Section 14.10. DUTIES IN THE CASE OF ENFORCEMENT. In case one or more Events of Default have occurred and shall be continuing, and whether or not acceleration of the Obligations shall have occurred, the Administrative Agent shall, if (a) so requested by the Required Lenders and (b) the Lenders have provided to the Administrative Agent such additional indemnities and assurances against expenses and liabilities as the Administrative Agent may reasonably request, proceed to enforce the provisions of this Agreement and exercise all or any such other legal and equitable and other rights or remedies as it may have in respect of enforcement of the Lenders' rights against the Borrower and the Guarantors under this Agreement and the other Loan Documents. The Required Lenders may direct the Administrative Agent in writing as to the method and the extent (other than when such direction as to extent requires Unanimous Lender Approval under Section 25) of any such enforcement, the Lenders (including any Lender which is not one of the Required Lenders) hereby agreeing to ratably and severally indemnify and hold the Administrative Agent harmless from all liabilities incurred in respect of all actions taken or omitted in accordance with such directions other than actions taken in gross negligence or willful misconduct, PROVIDED that the Administrative Agent need not comply with any such direction to the extent that the Administrative Agent reasonably believes the Administrative Agent's compliance with such direction to be unlawful or commercially unreasonable in any applicable jurisdiction.

Section 14.11. SUCCESSOR ADMINISTRATIVE AGENT. Chase, or any successor Administrative Agent, may resign as Administrative Agent at any time by giving written notice thereof to the Lenders and to the Borrower. In addition, the Required Lenders may remove the Administrative Agent in the event of the Administrative Agent's gross negligence or willful misconduct or in the event that the Administrative Agent ceases to hold a Commitment of at least \$20,000,000 or a Commitment Percentage of at least five percent (5%) under this Agreement. Any such resignation or removal shall be effective upon appointment and acceptance of a successor Administrative Agent, as hereinafter provided. Upon any such resignation or removal, the Required Lenders shall have the right to appoint a successor Administrative Agent, which is a Lender under this Agreement, PROVIDED that so long as no Default or Event of Default has occurred and is continuing the Borrower shall have the right to approve any successor Administrative Agent, which approval shall not be unreasonably withheld. Upon the resignation of Chase as the Administrative Agent, the Borrower may elect the Syndication Agent to become

the successor Administrative Agent for all purposes under this Agreement and the other Loan Documents. If, in the case of a resignation by the Administrative Agent, no

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successor Administrative Agent shall have been so appointed by the Required Lenders and approved by the Borrower, and shall have accepted such appointment, within thirty (30) days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint any one of the other Lenders as a successor Administrative Agent; PROVIDED that the Administrative Agent shall have first submitted the names of two (2) Lenders to the Borrower and, within ten (10) Business Days of such submission the Borrower shall not have selected one of such Lenders as the successor Administrative Agent. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Administrative Agent, and the retiring or removed Administrative Agent shall be discharged from all further duties and obligations as Administrative Agent under this Agreement. After any Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Section 14 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

Section 14.12. NOTICES. Any notices or other information required hereunder to be provided to the Administrative Agent and any formal statement or notice given by the Administrative Agent to the Borrower or any Lender shall be promptly forwarded by the Administrative Agent to each of the other Lenders.

Section 15. EXPENSES. The Borrower agrees to pay (a) the reasonable costs of incurred by Chase and Fleet and the Arrangers in producing this Agreement, the other Loan Documents and the other agreements and instruments mentioned herein, (b) the reasonable fees, expenses and disbursements of one outside counsel to both the Administrative Agent and the Syndication Agent, one local counsel to the Administrative Agent and the Syndication Agent incurred in connection with the preparation, administration or interpretation of the Loan Documents and other instruments mentioned herein, each closing hereunder, and amendments, modifications, approvals, consents or waivers hereto or hereunder, (c) the reasonable fees, expenses and disbursements of the Administrative Agent and the Syndication Agent incurred by the Administrative Agent and the Syndication Agent in connection with the preparation, administration or interpretation of the Loan Documents (including those relating to the Competitive Bid Loans) and other instruments mentioned herein, each closing hereunder, any amendments, modifications, approvals, consents or waivers hereto or hereunder, or the cancellation of any Loan Document upon payment in full in cash of all of the Obligations or pursuant to any terms of such Loan Document for providing for such cancellation, including, without limitation, the reasonable fees and disbursements (including, without limitation, reasonable photocopying costs) of one counsel to the Administrative

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Agent and the Syndication Agent in preparing the documentation, (d) the reasonable fees, costs, expenses and disbursements of the Arrangers and their Affiliates incurred in connection with the syndication and/or participations of the Loans, including, without limitation, costs of preparing syndication materials and photocopying costs, subject to the limitations set forth in the Fee Letter, (e) all reasonable expenses (including reasonable attorneys' fees and costs, which attorneys may be employees of any Lender or the Administrative Agent or the Syndication Agent, and the fees and costs of appraisers, engineers, investment bankers, surveyors or other experts retained by any Lender or the Administrative Agent or the Syndication Agent in connection with any such enforcement, preservation proceedings or dispute) incurred by any Lender or the Administrative Agent or the Syndication Agent in connection with (i) the enforcement of or preservation of rights under any of the Loan Documents against the Borrower or any of its Subsidiaries or any Guarantor or the administration thereof after the occurrence and during the continuance of a Default or Event of Default (including, without limitation, expenses incurred in any restructuring and/or "workout" of the Loans), and (ii) any litigation, proceeding or dispute whether arising hereunder or otherwise, in any way related to any Lender's or the Administrative Agent's relationship with the Borrower, any Guarantor or any of their Subsidiaries, (f) all reasonable fees, expenses and disbursements of the Administrative Agent incurred in connection with UCC searches and (g) all costs incurred by the Administrative Agent in the future in connection with its inspection of the Unencumbered Properties after the occurrence and during the continuance of an Event of Default. The covenants of this Section 15 shall survive payment or satisfaction of payment of amounts owing with respect to the Notes.

Section 16. INDEMNIFICATION. The Borrower agrees to indemnify and hold harmless the Administrative Agent, the Syndication Agent, the Arrangers and each of the Lenders and the shareholders, directors, agents, officers, subsidiaries and affiliates of the Administrative Agent, the Syndication Agent, the Arrangers and each of the Lenders from and against any and all claims, actions and suits sought or brought by a third party, whether groundless or otherwise, and from and against any and all liabilities, losses, settlement payments, obligations, damages and expenses of every nature and character, including reasonable legal fees and expenses, arising out of or resulting in any way from this Agreement or any of the other Loan Documents or the transactions contemplated hereby or thereby or which otherwise arise in connection with the financing, including, without limitation, (a) any actual or proposed use by the Borrower or any of its Subsidiaries of the proceeds of any of the Loans, (b) the Borrower or any of its Subsidiaries or any Guarantor entering into or performing this Agreement or any of the other Loan Documents, or (c) pursuant to Section 7.17 hereof, in each case including, without limitation, the reasonable fees and disbursements of counsel incurred in connection with any investigative, administrative or judicial

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proceeding (whether or not such indemnified Person is a party thereto), PROVIDED, HOWEVER, that the Borrower shall not be obligated under this Section 16 to indemnify any Person for liabilities arising from such Person's own gross negligence or willful misconduct. In litigation, or the preparation therefor, the Borrower shall be entitled to select counsel reasonably acceptable to the Required Lenders, and the Lenders (as approved by the Required Lenders) shall be entitled to select their own supervisory counsel and, in addition to the foregoing indemnity, the Borrower agrees to pay promptly the reasonable fees and expenses of each such counsel if (i) in the written opinion of counsel to the Administrative Agent, the Syndication Agent, the Arrangers or the Lenders, as the case may be, use of counsel of the Borrower's choice could reasonably be expected to give rise to a conflict of interest, (ii) the Borrower shall not have employed counsel reasonably satisfactory to the Administrative Agent, the Syndication Agent, the Arrangers or the Lenders, as the case may be, within a reasonable time after notice of the institution of any such litigation or proceeding or (iii) the Borrower authorizes the Administrative Agent, the Syndication Agent, the Arrangers or the Lenders, as the case may be, to employ separate counsel at the Borrower's expense. If and to the extent that the obligations of the Borrower under this Section 16 are unenforceable for any reason, the Borrower hereby agrees to make the maximum contribution to the payment in satisfaction of such obligations which is permissible under applicable law. The provisions of this Section 16 shall survive the repayment of the Loans and the termination of the obligations of the Lenders hereunder and shall continue in full force and effect as long as the possibility of any such claim, action, cause of action or suit exists.

Section 17. SURVIVAL OF COVENANTS, ETC. All covenants, agreements, representations and warranties made herein, in the Notes, in any of the other Loan Documents shall be deemed to have been relied upon by the Lenders, the Administrative Agent and the Syndication Agent, notwithstanding any investigation heretofore or hereafter made by any of them, and shall survive the making by the Lenders of any of the Loans and the issuance, extension or renewal of any Letters of Credit, as herein contemplated, and shall continue in full force and effect so long as any Letter of Credit or any amount due under this Agreement or the Notes or any of the other Loan Documents remains outstanding or any Lender has any obligation to make any Loans or the Administrative Agent or any Fronting Bank has any obligation to issue, extend or renew any Letter of Credit. The indemnification obligations of the Borrower provided herein and in the other Loan Documents shall survive the full repayment of amounts due and the termination of the obligations of the Lenders hereunder and thereunder to the extent provided herein and therein. All statements contained in any certificate delivered to any Lender or the Administrative Agent or the Syndication Agent at any time by or on behalf of the Borrower or any of its Subsidiaries or any Guarantor pursuant hereto or in

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connection with the transactions contemplated hereby shall constitute representations and warranties by the Borrower or such Subsidiary or such Guarantor hereunder.

Section 18. ASSIGNMENT; PARTICIPATIONS; ETC.

Section 18.1. CONDITIONS TO ASSIGNMENT BY LENDERS. Except as provided herein, each Lender may assign to one or more Eligible Assignees all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment Percentage and Commitment and the same portion of the Loans at the time owing to it, the Notes held by it, the Competitive Bid Loan Accounts maintained by it and its participating interest in the risk relating to any Letters of Credit); PROVIDED that (a) the Administrative Agent and, unless an Event of Default shall have occurred and be continuing, the Borrower each shall have the right to approve any Eligible Assignee, which approval shall not be unreasonably withheld or delayed, (b) each

such assignment shall be of a constant, and not a varying, percentage of all the assigning Lender's rights and obligations under this Agreement as to such interests, rights and obligations under this Agreement so assigned, (c) each such assignment shall be in a minimum amount of \$15,000,000 or an integral multiple of \$1,000,000 in excess thereof, (d) unless the assigning Lender shall have assigned its entire Commitment, each Lender shall have at all times an amount of its Commitment of not less than \$15,000,000 and (e) the parties to such assignment shall execute and deliver to the Administrative Agent, for recording in the Register (as hereinafter defined), an assignment and assumption, substantially in the form of EXHIBIT F hereto (an "ASSIGNMENT AND ASSUMPTION"), together with any Notes subject to such assignment. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Assumption, which effective date shall be at least five (5) Business Days after the execution thereof, (i) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Assumption, have the rights and obligations of a Lender hereunder and thereunder, and (ii) the assigning Lender shall, to the extent provided in such assignment and upon payment to the Administrative Agent of the registration fee referred to in Section 18.3, be released from its obligations under this Agreement.

Section 18.2. CERTAIN REPRESENTATIONS AND WARRANTIES; LIMITATIONS; COVENANTS. By executing and delivering an Assignment and Assumption, the parties to the assignment thereunder confirm to and agree with each other and the other parties hereto as follows: (a) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, the assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or

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the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, the other Loan Documents or any other instrument or document furnished pursuant hereto; (b) the assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or any of its Subsidiaries or any Guarantor or any other Person primarily or secondarily liable in respect of any of the Obligations, or the performance or observance by the Borrower or any of its Subsidiaries or any Guarantor or any other Person primarily or secondarily liable in respect of any of the Obligations of any of their obligations under this Agreement or any of the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; (c) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements referred to in Section 6.4 and Section 7.4 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Assumption; (d) such assignee will, independently and without reliance upon the assigning Lender, the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (e) such assignee represents and warrants that it is an Eligible Assignee; (f) such assignee appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to the Administrative Agent by the terms hereof or thereof, together with such powers as are reasonably incidental thereto; (g) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender; (h) such assignee represents and warrants that it is legally authorized to enter into such Assignment and Assumption; and (i) such assignee acknowledges that it has made arrangements with the assigning Lender satisfactory to such assignee with respect to its pro rata share of Letter of Credit Fees in respect of outstanding Letters of Credit.

Section 18.3. REGISTER. The Administrative Agent shall maintain a copy of each Assignment and Assumption delivered to it and a register or similar list (the "REGISTER") for the recordation of the names and addresses of the Lenders and the Commitment Percentages of, and principal amount of the Loans owing to, the Lenders from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and the Lenders at any reasonable time and from time to time upon reasonable prior notice. Upon each such recordation other than assignments pursuant to Section 4.12, the assigning Lender agrees to pay to the Administrative Agent a registration fee in the sum of \$2,500.

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Section 18.4. NEW REVOLVING CREDIT NOTES. Upon its receipt of an Assignment and Assumption executed by the parties to such assignment, together with each Note subject to such assignment, the Administrative Agent shall (a) record the information contained therein in the Register, and (b) give prompt written notice thereof to the Borrower and the Lenders (other than the assigning

Lender). Within five (5) Business Days after receipt of such notice, the Borrower, at its own expense, (i) shall execute and deliver to the Administrative Agent, in exchange for each surrendered Note, a new Note to the order of such Eligible Assignee in an amount equal to the amount assumed by such Eligible Assignee pursuant to such Assignment and Assumption and, if the assigning Lender has retained some portion of its obligations hereunder, a new Note to the order of the assigning Lender in an amount equal to the amount retained by it hereunder and (ii) shall deliver an opinion from counsel to the Borrower in substantially the form delivered on the Closing Date pursuant to Section 10.8 as to such new Notes. Such new Notes shall provide that they are replacements for the surrendered Notes, shall be in an aggregate principal amount equal to the aggregate principal amount of the surrendered Notes, shall be dated the effective date of such Assignment and Assumption and shall otherwise be in substantially the form of the assigned Notes. The surrendered Notes shall be canceled and returned to the Borrower.

Section 18.5. PARTICIPATIONS. Each Lender may sell participations to one or more banks or other entities in all or a portion of such Lender's rights and obligations under this Agreement and the other Loan Documents; PROVIDED that (a) each such participation shall be in an amount of not less than \$15,000,000 if such participation is to a Person other than an Affiliate of such Lender, (b) any such sale or participation shall not affect the rights and duties of the selling Lender hereunder to the Borrower and the Administrative Agent and the Lender shall continue to exercise all approvals, disapprovals and other functions of a Lender, (c) the only rights granted to the participant pursuant to such participation arrangements with respect to waivers, amendments or modifications of, or approvals under, the Loan Documents shall be the rights to approve waivers, amendments or modifications that would reduce the principal of or the interest rate on any Loans, extend the term (other than any extension contemplated by the definition of "MATURITY DATE") or increase the amount of the Commitment of such Lender as it relates to such participant, reduce the amount of any fees to which such participant is entitled or extend any regularly scheduled payment date for principal or interest, and (d) no participant shall have the right to grant further participations or assign its rights, obligations or interests under such participation to other Persons without the prior written consent of the Administrative Agent.

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Section 18.6. PLEDGE BY LENDER. Notwithstanding any other provision of this Agreement, any Lender at no cost to the Borrower may at any time pledge all or any portion of its interest and rights under this Agreement (including all or any portion of its Notes) to any of the twelve Federal Reserve Banks organized under Section 4 of the Federal Reserve Act, 12 U.S.C. Section 341. No such pledge or the enforcement thereof shall release the pledgor Lender from its obligations hereunder or under any of the other Loan Documents.

Section 18.7. NO ASSIGNMENT BY BORROWER. The Borrower shall not assign or transfer any of its rights or obligations under any of the Loan Documents without prior Unanimous Lender Approval.

Section 18.8. DISCLOSURE. The Borrower agrees that, in addition to disclosures made in accordance with standard banking practices, any Lender may disclose information obtained by such Lender pursuant to this Agreement to assignees or participants and potential assignees or participants hereunder. Any such disclosed information shall be treated by any assignee or participant with the same standard of confidentiality set forth in Section 7.10 hereof.

Section 18.9. SYNDICATION. The Borrower acknowledges that the Administrative Agent and the Syndication Agent intend, and shall have the right, by themselves or through their Affiliates, to syndicate or enter into co-lending arrangements with respect to the Loans and the Total Commitment pursuant to this Section 18, and the Borrower agrees to reasonably cooperate with the Administrative Agent's, the Syndication Agent's and their Affiliates' syndication and/or co-lending efforts, such cooperation to include, without limitation, the provision of information reasonably requested by potential syndicate members.

Section 19. NOTICES, ETC. Except as otherwise expressly provided in this Agreement, all notices and other communications made or required to be given pursuant to this Agreement or the Notes or any Letter of Credit Applications shall be in writing and shall be delivered in hand, or mailed by United States registered or certified first class mail, return receipt requested, postage prepaid; or sent by overnight courier; or sent by facsimile and confirmed by delivery via overnight courier or postal service; addressed as follows:

(a) if to the Borrower or any Guarantor, to the Borrower at Mack-Cali Realty Corporation, 11 Commerce Drive, Cranford, New Jersey 07016, Attention: Mr. Roger W. Thomas, Executive Vice President and General Counsel and Mr. Barry Lefkowitz, Executive Vice President and Chief Financial Officer, with a copy to Andrew S. Levine, Esq., Pryor Cashman Sherman & Flynn LLP, 410 Park Avenue, New York, New York 10222, or to such other address for notice as the Borrower or any Guarantor shall have last

furnished in writing to the Administrative Agent;

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(b) if to the Administrative Agent, at The Chase Manhattan Bank, 270 Park Avenue, New York, New York 10017, Attention: Marc E. Costantino, Vice President, or such other address for notice as the Administrative Agent shall have last furnished in writing to the Borrower, with a copy to Paul M. Vaughn, Esq., Bingham Dana LLP, 150 Federal Street, Boston, Massachusetts 02110, or at such other address for notice as the Administrative Agent shall last have furnished in writing to the Person giving the notice; and

(c) if to any Lender, at the address set forth on Schedule 1.2 hereto, or such other address for notice as such Lender shall have last furnished in writing to the Person giving the notice.

Any such notice or demand shall be deemed to have been duly given or made and to have become effective (i) if delivered by hand, overnight courier or facsimile to the party to which it is directed, at the time of the receipt thereof by such party or the sending of such facsimile and (ii) if sent by registered or certified first-class mail, postage prepaid, return receipt requested on the fifth Business Day following the mailing thereof.

Section 20. GOVERNING LAW; CONSENT TO JURISDICTION AND SERVICE. THIS AGREEMENT AND EACH OF THE OTHER LOAN DOCUMENTS, EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED THEREIN, ARE CONTRACTS UNDER THE LAWS OF THE STATE OF NEW YORK AND SHALL FOR ALL PURPOSES BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK (EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW). EACH OF THE BORROWER AND THE GUARANTORS AND THE ADMINISTRATIVE AGENT AND THE LENDERS AGREES THAT ANY SUIT FOR THE ENFORCEMENT OF THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK, NEW YORK OR ANY FEDERAL COURT SITTING IN NEW YORK, NEW YORK AND CONSENTS TO THE NON-EXCLUSIVE JURISDICTION OF SUCH COURTS AND THE SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE UPON THE BORROWER OR THE GUARANTORS OR THE ADMINISTRATIVE AGENT OR THE LENDERS BY MAIL AT THE ADDRESS SPECIFIED IN Section 19. EACH OF THE BORROWER AND THE GUARANTORS AND THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY WAIVES ANY OBJECTION THAT EITHER OF THEM MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT OR ANY SUCH COURT OR THAT SUCH SUIT IS BROUGHT IN AN INCONVENIENT COURT.

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Section 21. HEADINGS. The captions in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

Section 22. COUNTERPARTS. This Agreement and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. In proving this Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

Section 23. ENTIRE AGREEMENT, ETC. The Loan Documents and any other documents executed in connection herewith or therewith express the entire understanding of the parties with respect to the transactions contemplated hereby. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated, except as provided in Section 25.

Section 24. WAIVER OF JURY TRIAL AND CERTAIN DAMAGE CLAIMS. EXCEPT TO THE EXTENT EXPRESSLY PROHIBITED BY LAW, EACH OF THE BORROWER AND THE GUARANTORS AND THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY WAIVES ITS RESPECTIVE RIGHTS TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, THE REVOLVING CREDIT NOTES OR ANY OF THE OTHER LOAN DOCUMENTS, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS. EXCEPT TO THE EXTENT EXPRESSLY PROHIBITED BY LAW, THE BORROWER AND EACH OF THE GUARANTORS HEREBY WAIVES ANY RIGHT ANY OF THEM MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION REFERRED TO IN THE PRECEDING SENTENCE ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. EACH OF THE BORROWER AND THE GUARANTORS (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY LENDER OR THE ADMINISTRATIVE AGENT HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH LENDER OR THE ADMINISTRATIVE AGENT WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (B) ACKNOWLEDGE THAT THE ADMINISTRATIVE AGENT AND THE LENDERS HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS TO WHICH THEY ARE PARTIES BY, AMONG OTHER THINGS, THE WAIVERS AND CERTIFICATIONS CONTAINED HEREIN.

Section 25. CONSENTS, AMENDMENTS, WAIVERS, ETC. Except as otherwise expressly provided in this Agreement, any acceptance, consent,

approval or other authorization required or permitted by this Agreement may be given, and any term of this Agreement or of any of the other Loan Documents may be amended, and the performance or observance by the Borrower or any Guarantor of any terms of this Agreement or the other Loan Documents or the continuance of any default, Default or Event of Default may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of the Required Lenders.

Notwithstanding the foregoing, Unanimous Lender Approval shall be required for any amendment, modification or waiver of this Agreement that:

- (i) reduces or forgives any principal of any unpaid Loan or any interest thereon (including any interest "breakage" costs) or any fees due any Lender hereunder, or permits any prepayment not otherwise permitted hereunder; or
- (ii) changes the unpaid principal amount of, or the rate of interest on, any Loan; or
- (iii) changes the date fixed for any payment of principal of or interest on any Loan (including, without limitation, any extension of the Maturity Date) or any fees payable hereunder; or
- (iv) changes the amount of any Lender's Commitment (other than pursuant to an assignment permitted under Section 18.1 hereof) or increases the amount of the Total Commitment, except as provided in Section 2.2; or
- (v) amends any of the covenants contained in Sections 9.1, 9.3, 9.4, 9.6 or 9.7 hereof; or
- (vi) releases or reduces the liability of any Guarantor pursuant to its Guaranty other than as provided in Section 5; or
- (vii) modifies this Section 25 or any other provision herein or in any other Loan Document which by the terms thereof expressly requires Unanimous Lender Approval; or
- (viii) amends any of the provisions governing funding contained in Section 2 hereof; or
- (ix) changes the rights, duties or obligations of the Administrative Agent specified in Section 14 hereof (PROVIDED that no amendment or modification to such Section 14 or to the fee payable to the

Arrangers or the Administrative Agent under this Agreement may be made without the prior written consent of the Arrangers or the Administrative Agent affected thereby); or

- (x) changes the definitions of Required Lenders, Majority Lenders or Unanimous Lender Approval.

No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon. No course of dealing or delay or omission on the part of the Administrative Agent or the Lenders or any Lender in exercising any right shall operate as a waiver thereof or otherwise be prejudicial to such right or any other rights of the Administrative Agent or the Lenders. No notice to or demand upon the Borrower shall entitle the Borrower to other or further notice or demand in similar or other circumstances.

Section 26. SEVERABILITY. The provisions of this Agreement are severable, and if any one clause or provision hereof shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

Section 27. TRANSITIONAL ARRANGEMENTS.

Section 27.1. ORIGINAL AGREEMENT SUPERSEDED. This Agreement shall supersede the Original Agreement in its entirety, except as provided in this Section 27 and Section 3.7. On the Closing Date, the rights and obligations of the parties under the Original Agreement and the "Notes" defined therein shall be subsumed within and be governed by this Agreement and the Notes; PROVIDED HOWEVER, that any of the "Revolving Credit Loans" (as defined in the Original

Agreement) outstanding under the Original Agreement shall, for purposes of this Agreement, be Revolving Credit Loans hereunder. The Lenders' interests in such Revolving Credit Loans and participations in such Letters of Credit shall be reallocated on the Closing Date in accordance with each Lender's applicable Commitment Percentage.

Section 27.2. RETURN AND CANCELLATION OF NOTES. Upon its receipt of the Revolving Credit Notes to be delivered hereunder on the Closing Date, each Lender will promptly return to the Borrower, marked "Cancelled" or "Replaced", the notes of the Borrower held by such Lender pursuant to the Original Agreement.

Section 27.3 INTEREST AND FEES UNDER ORIGINAL AGREEMENT. All interest and all commitment, facility and other fees and expenses owing or accruing under or in

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respect of the Original Agreement shall be calculated as of the Closing Date (prorated in the case of any fractional periods), and shall be paid on the Closing Date in accordance with the method specified in the Original Agreement, as if the Original Agreement were still in effect.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
[SIGNATURE PAGES TO FOLLOW]

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IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as a sealed instrument as of the date first set forth above.

MACK-CALI REALTY, L.P.

By: Mack-Cali Realty Corporation, its
general partner

By: /s/ Barry Lefkowitz

Name: Barry Lefkowitz
Title: Executive Vice President and
Chief Financial Officer

SIGNATURE PAGE TO AMENDMENT NO. 3 TO AND
RESTATEMENT OF REVOLVING CREDIT AGREEMENT

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BANK LEUMI USA

By: /s/ Federick A. Wolhel

Name: Federick A. Wolhel
Title: Vice President

SIGNATURE PAGE TO AMENDMENT NO. 3 TO AND
RESTATEMENT OF REVOLVING CREDIT AGREEMENT

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BANK ONE, NA

By: /s/ Dennis J. Redpath

Name: Dennis J. Redpath
Title: First Vice President

SIGNATURE PAGE TO AMENDMENT NO. 3 TO AND
RESTATEMENT OF REVOLVING CREDIT AGREEMENT

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BANK OF AMERICA, N.A.

By: /s/ Jeffrey B. Hoyle

Name: Jeffrey B. Hoyle

SIGNATURE PAGE TO AMENDMENT NO. 3 TO AND
RESTATEMENT OF REVOLVING CREDIT AGREEMENT

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BANK AUSTRIA CREDITANSTALT CORPORATE
FINANCE, INC.

By: /s/ Peter W. Wood

Name: Peter W. Wood
Title: Vice President

By: /s/ Anthony Mugno

Name: Anthony Mugno
Title: Assistant Vice President

SIGNATURE PAGE TO AMENDMENT NO. 3 TO AND
RESTATEMENT OF REVOLVING CREDIT AGREEMENT

BAYERISCHE HYPO-UND VEREINSBANK AG
NEW YORK BRANCH

By: /s/ William J. Rogers

Name: William J. Rogers
Title: Managing Director

By: /s/ George S. Gnad

Name: George S. Gnad
Title: Director

SIGNATURE PAGE TO AMENDMENT NO. 3 TO AND
RESTATEMENT OF REVOLVING CREDIT AGREEMENT

BAYERISCHE LANDESBANK GIROZENTRALE,
CAYMAN ISLANDS BRANCH

By: /s/ John A. Wain

Name: John A. Wain
Title: First Vice President

By: /s/ Alexander Kohnert

Name: Alexander Kohnert
Title: First Vice President

SIGNATURE PAGE TO AMENDMENT NO. 3 TO AND
RESTATEMENT OF REVOLVING CREDIT AGREEMENT

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CHEVY CHASE BANK

By: /s/ Todd A. Lee

Name: Todd A. Lee
Title: Vice President

SIGNATURE PAGE TO AMENDMENT NO. 3 TO AND
RESTATEMENT OF REVOLVING CREDIT AGREEMENT

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CITICORP REAL ESTATE, INC.

By: /s/ David Boutin

Name: David Boutin
Title: Vice President

SIGNATURE PAGE TO AMENDMENT NO. 3 TO AND
RESTATEMENT OF REVOLVING CREDIT AGREEMENT

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CITIZENS BANK OF MASSACHUSETTS

By: /s/ Craig E. Schermerhorn

Name: Craig E. Schermerhorn
Title: Vice President

SIGNATURE PAGE TO AMENDMENT NO. 3 TO AND
RESTATEMENT OF REVOLVING CREDIT AGREEMENT

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COMMERZBANK AKTIENGESELLSCHAFT, NEW
YORK BRANCH

By: /s/ Christine H. Finkel

Name: Christine H. Finkel
Title: Vice President

By: /s/ R. William Knickerbocker

Name: R. William Knickerbocker
Title: Assistant Vice President

SIGNATURE PAGE TO AMENDMENT NO. 3 TO AND
RESTATEMENT OF REVOLVING CREDIT AGREEMENT

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DG BANK DEUTSCHE
GENOSSENSCHAFTSBANK, AG NEW YORK
BRANCH

By: /s/ Rob T. Jokhai

Name: Rob T. Jokhai
Title: Vice President

By: /s/ Sabine Wendt

Name: Sabine Wendt
Title: Vice President

SIGNATURE PAGE TO AMENDMENT NO. 3 TO AND
RESTATEMENT OF REVOLVING CREDIT AGREEMENT

DRESDNER BANK AG, NEW YORK AND GRAND
CAYMAN BRANCHES

By: /s/ Johannes Boeckmann

Name: Johannes Boeckmann
Title: Senior Vice President

By: /s/ Clifford L. Rooke

Name: Clifford L. Rooke
Title: Vice President

SIGNATURE PAGE TO AMENDMENT NO. 3 TO AND
RESTATEMENT OF REVOLVING CREDIT AGREEMENT

ERSTE BANK

By: /s/ Paul Judicke

Name: Paul Judicke
Title: Vice President

By: /s/ John Runnion

Name: John Runnion
Title: First Vice President

SIGNATURE PAGE TO AMENDMENT NO. 3 TO AND
RESTATEMENT OF REVOLVING CREDIT AGREEMENT

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EUROPEAN AMERICAN BANK

By: /s/ Joanne Schemerti

Name: Joanne Schemerti
Title: Assistant Vice President

SIGNATURE PAGE TO AMENDMENT NO. 3 TO AND
RESTATEMENT OF REVOLVING CREDIT AGREEMENT

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FIRST UNION NATIONAL BANK

By: /s/ David Hoagland

Name: David Hoagland
Title: Vice President

SIGNATURE PAGE TO AMENDMENT NO. 3 TO AND
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FLEET NATIONAL BANK

By: /s/ Scott C. Dow

Name: Scott C. Dow
Title: Authorized Officer

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RESTATEMENT OF REVOLVING CREDIT AGREEMENT

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ISRAEL DISCOUNT BANK OF NEW YORK

By: /s/ Marc G. Cooper

Name: Marc G. Cooper
Title: Vice President

By: /s/ Chet Davis

Name: Chet Davis
Title: First Vice President

SIGNATURE PAGE TO AMENDMENT NO. 3 TO AND
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KBC BANK N.V.

By: /s/ Michael V. Curran

Name: Michael V. Curran
Title: Vice President

SIGNATURE PAGE TO AMENDMENT NO. 3 TO AND
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PNC BANK, NATIONAL ASSOCIATION

By: /s/ Melinda E. DiBenedetto

Name: Melinda E. DiBenedetto
Title: Vice President

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SOCIETE GENERALE

By: /s/ Jeffrey C. Schultz

Name: Jeffrey C. Schultz
Title: Vice President

SIGNATURE PAGE TO AMENDMENT NO. 3 TO AND
RESTATEMENT OF REVOLVING CREDIT AGREEMENT

SUMMIT BANK

By: /s/ Marianne W. de Jongh

Name: Marianne W. de Jongh
Title: Vice President

SIGNATURE PAGE TO AMENDMENT NO. 3 TO AND
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SUNTRUST BANK
(SUCCESSOR IN INTEREST TO CRESTAR BANK)

By: /s/ Blake K. Thompson

Name: Blake K. Thompson
Title: Vice President

SIGNATURE PAGE TO AMENDMENT NO. 3 TO AND
RESTATEMENT OF REVOLVING CREDIT AGREEMENT

THE CHASE MANHATTAN BANK

By: /s/ Marc E. Constantino

Name: Marc E. Constantino
Title: Vice President

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WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ Diana M. Elton

Name: Diana M. Elton
Title: Vice President

SIGNATURE PAGE TO AMENDMENT NO. 3 TO AND
RESTATEMENT OF REVOLVING CREDIT AGREEMENT

SCHEDULE 1.2

<TABLE> <CAPTION> LENDER ----- <S>	COMMITMENT AMOUNT ----- <C>	COMMITMENT PERCENTAGE ----- <C>
The Chase Manhattan Bank 270 Park Avenue New York, NY 10017	\$60,000,000	7.500%
Fleet National Bank 100 Federal Street Boston, MA 02110	\$60,000,000	7.500%
Bank of America, N.A. 100 N. Tryon Street Charlotte, NC 28255-0001	\$60,000,000	7.500%
Bank One, NA One First National Plaza Suite 0151, 1-14 Chicago, IL 60670	\$50,000,000	6.250%
Commerzbank Aktiengesellschaft, New York Branch 2 World Financial Center New York, NY 10281-1050	\$50,000,000	6.250%
First Union National Bank One First Union Center Charlotte, NC 28288-0166	\$50,000,000	6.250%
PNC Bank, National Association Two Tower Center Blvd. East Brunswick, NJ 08816	\$40,000,000	5.000%
Bank Austria Creditanstalt	\$35,000,000	4.375%

Corporate Finance, Inc.
2 Ravinia Drive
Atlanta, GA 30346

Bayerische Hypo-und Vereinsbank AG New York Branch 150 East 42nd Street New York, NY 10017	\$35,000,000	4.375%
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Dresdner Bank AG, New York and Grand Cayman Branches 75 Wall Street New York, NY 10005	\$35,000,000	4.375%
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-2-

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LENDER - - - - -	COMMITMENT AMOUNT -----	COMMITMENT PERCENTAGE -----
<S>	<C>	<C>
Societe Generale 2001 Ross Avenue Dallas, TX 75201	\$35,000,000	4.375%
Summit Bank 750 Walnut Avenue Cranford, NJ 07016	\$35,000,000	4.375%
Wells Fargo Bank, National Association 40 West 57th Street, 22nd Floor New York, NY 10019	\$35,000,000	4.375%
Bayerische Landesbank Girozentrale 560 Lexington Avenue New York, NY 10022	\$30,000,000	3.750%
Citizens Bank of Massachusetts 1 Citizens Plaza Providence, RI 02903-1339	\$25,000,000	3.125%
European American Bank 335 Madison Avenue New York, NY 10017	\$25,000,000	3.125%
Chevy Chase Bank 8401 Connecticut Avenue Chevy Chase, MD 20815	\$20,000,000	2.500%
Citicorp Real Estate, Inc. 399 Park Avenue New York, NY 10043	\$20,000,000	2.500%
DG Bank Deutsche Genossenschaftsbank, AG New York Branch 609 Fifth Avenue New York, NY 10017-1021	\$20,000,000	2.500%
Erste Bank 280 Park Avenue, West Building New York, NY 10017	\$20,000,000	2.500%
KBC Bank N.V. 125 West 55th Street New York, NY 10019	\$20,000,000	2.500%

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-3-

<TABLE>
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LENDER - - - - -	COMMITMENT AMOUNT -----	COMMITMENT PERCENTAGE -----
<S>	<C>	<C>
SunTrust Bank (successor in interest to Crestar Bank)	\$20,000,000	2.500%

8245 Boone Blvd., Suite 820
Vienna, VA 22182

Bank Leumi USA
562 Fifth Avenue
New York, NY 10036

\$10,000,000

1.250%

Israel Discount Bank of New York
511 Fifth Avenue
New York, NY 10017

\$10,000,000

1.250%

TOTAL

\$800,000,000

100%

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SUBSIDIARY <S>	STATE OF INCORPORATION OR ORGANIZATION <C>
11 COMMERCE DRIVE ASSOCIATES L.L.C.	NJ
12 SKYLINE ASSOCIATES L.L.C.	NY
120 PASSAIC STREET LLC	NJ
1717 REALTY ASSOCIATES L.L.C.	NJ
20 COMMERCE DRIVE ASSOCIATES L.L.C.	NJ
300 TICE REALTY ASSOCIATES L.L.C.	NJ
300 HORIZON ROAD REALTY L.L.C.	NJ
400 PRINCETON ASSOCIATES L.L.C.	NJ
250 JOHNSON ROAD REALTY L.L.C.	NJ
400 RELLA REALTY ASSOCIATES L.L.C.	NY
500 COLUMBIA TURNPIKE ASSOCIATES L.L.C.	NJ
600 PARSIPPANY ASSOCIATES L.L.C.	NJ
4 GATEHALL REALTY L.L.C.	NJ
78 PINSON PARTNERS L.L.C.	NJ
795 FOLSOM REALTY ASSOCIATES L.P.	CA
9060 EAST VIA LINDA CO., LTD.	AZ
AIRPORT PROPERTIES ASSOCIATES LLC	NJ
BMP MOORESTOWN REALTY L.L.C.	NJ
BMP SOUTH REALTY L.L.C.	NJ
BRANDEIS BUILDING INVESTORS L.L.C.	NE
BRANDEIS BUILDING INVESTORS, L.P.	DE
BRIDGE PLAZA ASSOCIATES L.L.C.	NJ

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SUBSIDIARY <S>	STATE OF INCORPORATION OR ORGANIZATION <C>
C.W. ASSOCIATES L.L.C.	NJ
CAL-HARBOR II & III URBAN RENEWAL ASSOCIATES L.P.	NJ
CAL-HARBOR IV URBAN RENEWAL ASSOCIATES L.P.	NJ
CAL-HARBOR NO. PIER URBAN RENEWAL ASSOCIATES L.P.	NJ
CAL-HARBOR SO. PIER URBAN RENEWAL ASSOCIATES L.P.	NJ
CAL-HARBOR V LEASING ASSOCIATES L.L.C.	NJ
CAL-HARBOR V URBAN RENEWAL ASSOCIATES L.P.	NJ

CAL-HARBOR VI URBAN RENEWAL ASSOCIATES L.P.	NJ
CAL-HARBOR VII LEASING ASSOCIATES L.L.C.	NJ
CAL-HARBOR VII URBAN RENEWAL ASSOCIATES L.P.	NJ
CAL-TREE REALTY ASSOCIATES L.P.	PA
CALI AIRPORT REALTY ASSOCIATES L.P.	PA
CALI HARBORSIDE (FEE) ASSOCIATES L.P.	NJ
CALI HARBORSIDE PLAZA I (FEE) ASSOCIATES L.P.	NJ
CALI PENNSYLVANIA REALTY ASSOCIATES L.P.	PA
CALI PROPERTY HOLDINGS I, L.P.	DE
CALI PROPERTY HOLDINGS II, L.P.	DE
CALI PROPERTY HOLDINGS III, L.P.	DE
CALI PROPERTY HOLDINGS IV, L.P.	DE
CALI PROPERTY HOLDINGS IX, L.P.	MD
CALI PROPERTY HOLDINGS V, L.P.	DE
CALI PROPERTY HOLDINGS VI, L.P.	DE
CALI PROPERTY HOLDINGS VII, L.P.	DE
CALI PROPERTY HOLDINGS VIII, L.P.	DE
CALI PROPERTY HOLDINGS X, L.P.	DE

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SUBSIDIARY <S>	STATE OF INCORPORATION OR ORGANIZATION <C>
CENTURY PLAZA ASSOCIATES L.L.C.	NJ
COLLEGE ROAD REALTY L.L.C.	NJ
COMMERCENTER REALTY ASSOCIATES L.L.C.	NJ
COMMERCENTER REALTY ASSOCIATES L.P.	NJ
COMMON MESSAGING EXCHANGE, INC.	NJ
CROSS WESTCHESTER REALTY ASSOCIATES L.L.C.	NY
D.B.C. REALTY L.L.C.	NJ
ELMSFORD REALTY ASSOCIATES L.L.C.	NY
FIVE SENTRY REALTY ASSOCIATES L.P.	PA
GROVE STREET ASSOCIATES OF JERSEY CITY LIMITED PARTNERSHIP	NJ
HARBORSIDE HOSPITALITY CORP.	NJ
HORIZON CENTER REALTY ASSOCIATES L.L.C.	NJ
HORIZON CENTER REALTY ASSOCIATES L.P.	NJ
HORIZON CENTER REALTY L.L.C.	NJ
JUMPING BROOK REALTY ASSOCIATES L.L.C.	NJ
JUMPING BROOK REALTY ASSOCIATES L.P.	NJ

KEMBLE-MORRIS, LLC	NJ
LINWOOD REALTY L.L.C.	NJ
M-C CALIFORNIA SERVICES, INC.	DE
M-C CAPITOL ASSOCIATES L.L.C.	DE
M-C HARSIMUS PARTNERS L.L.C.	NJ

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SUBSIDIARY <S>	STATE OF INCORPORATION OR ORGANIZATION <C>
M-C PENN MANAGEMENT CORP.	DE
M-C PROPERTIES CO. REALTY L.L.C.	NJ
M-C ROCKLAND PARTNERS L.P.	NY
M-C TEXAS MANAGEMENT L.P.	TX
MACK-CALI ADVANTAGE SERVICES CORPORATION	DE
MACK-CALI ARIZONA CORPORATION	DE
MACK-CALI B PROPERTIES, L.L.C.	NJ
MACK-CALI BEARDSLEY LIMITED PARTNERSHIP	AZ
MACK-CALI BRIDGEWATER CO., L.P.	NJ
MACK-CALI BUILDING V ASSOCIATES L.L.C.	NJ
MACK-CALI CALIFORNIA DEVELOPMENT ASSOCIATES L.P.	CA
MACK-CALI CALIFORNIA PARTNERS L.P.	CA
MACK-CALI CAMPUS REALTY L.L.C.	NJ
MACK-CALI CENTURY III INVESTORS L.L.C.	IA
MACK-CALI CENTURY III INVESTORS, L.P.	DE
MACK-CALI CHESTNUT RIDGE, L.L.C.	NJ
MACK-CALI CW REALTY ASSOCIATES L.L.C.	NY
MACK-CALI D.C. MANAGEMENT CORP	DE
MACK-CALI E-COMMERCE, INC.	DE
MACK-CALI E-COMMERCE L.L.C.	DE
MACK-CALI EAST LAKEMONT L.L.C.	NJ
MACK-CALI F PROPERTIES L.P.	NJ
MACK-CALI GLENDALE LIMITED PARTNERSHIP	AZ
MACK-CALI METROPOLITAN, LTD.	FL
MACK-CALI MID-WEST REALTY ASSOCIATES L.L.C.	NY
MACK-CALI MORRIS REALTY L.L.C.	NJ
MACK-CALI NORTH HILLS L.L.C.	NY

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SUBSIDIARY	STATE OF INCORPORATION OR ORGANIZATION
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<S>	<C>
MACK-CALI PROPERTIES CO. #3 L.P.	NJ
MACK-CALI PROPERTIES CO. NO. 11, L.P.	NY
MACK-CALI PROPERTY TRUST	MD
MACK-CALI REALTY ACQUISITION CORP.	DE
MACK-CALI REALTY CONSTRUCTION CORPORATION	NJ
MACK-CALI REALTY L.P.	DE
MACK-CALI SERVICES, INC.	NJ
MACK-CALI SO. WEST REALTY ASSOCIATES L.L.C.	NY
MACK-CALI STAMFORD REALTY ASSOCIATES, L.P.	CT
MACK-CALI SUB I, INC.	DE
MACK-CALI SUB II, INC.	DE
MACK-CALI SUB III, INC.	DE
MACK-CALI SUB IV, INC.	DE
MACK-CALI SUB IX, INC.	DE
MACK-CALI SUB V, INC.	DE
MACK-CALI SUB VI, INC.	DE
MACK-CALI SUB VII, INC.	DE
MACK-CALI SUB VIII, INC.	DE
MACK-CALI SUB X, INC.	DE
MACK-CALI SUB XI, INC.	DE
MACK-CALI SUB XII, INC.	DE
MACK-CALI SUB XIII, INC.	DE

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SUBSIDIARY	STATE OF INCORPORATION OR ORGANIZATION
<S>	<C>
MACK-CALI SUB XIV, INC.	DE
MACK-CALI SUB XIX, INC.	DE
MACK-CALI SUB XV, INC.	DE
MACK-CALI SUB XVI, INC.	DE
MACK-CALI SUB XVII, INC.	DE
MACK-CALI SUB XVIII, INC.	DE
MACK-CALI SUB XX, INC.	DE
MACK-CALI SUB XXI, INC.	DE
MACK-CALI SUB XXII, INC.	DE
MACK-CALI TAXTER ASSOCIATES L.L.C.	NY
MACK-CALI TEXAS PROPERTY L.P.	TX
MACK-CALI TRS HOLDING CORPORATION	DE
MACK-CALI WILLOWBROOK COMPANY L.P.	NJ
MACK-CALI WOODBRIDGE II L.P.	NJ
MACK-CALI WP REALTY ASSOCIATES L.L.C.	NY

MACK-CALI-R COMPANY NO. 1 L.P.	NJ
MAIN-MARTINE MAINTENANCE CORP.	NY
MANHASSET ASSOCIATES L.L.C.	NY
MARTIN AVENUE REALTY ASSOCIATES L.L.C.	NY
MC-CAP L.L.C.	DE
MC-SJP MORRIS V REALTY L.L.C.	NJ
MC-SJP MORRIS VI REALTY L.L.C.	NJ
MID-WEST MAINTENANCE CORP.	NY
MID-WESTCHESTER REALTY ASSOCIATES L.L.C.	NY
MONMOUTH/ATLANTIC REALTY ASSOCIATES L.L.C.	NJ
MONMOUTH/ATLANTIC REALTY ASSOCIATES L.P.	NJ
MOORESTOWN REALTY ASSOCIATES L.L.C.	NJ

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SUBSIDIARY <S>	STATE OF INCORPORATION OR ORGANIZATION <C>
MORRIS V PARTNERS L.L.C.	NJ
MORRIS VI PARTNERS L.L.C.	NJ
MORRISTOWN TEN	NJ
MOUNT AIRY REALTY ASSOCIATES L.L.C.	NJ
MOUNT AIRY REALTY ASSOCIATES L.P.	NJ
MOUNTAINVIEW REALTY L.L.C.	NJ
OFFICE ASSOCIATES L.L.C.	NJ
ONE SYLVAN REALTY, L.L.C.	NJ
PARSIPPANY CAMPUS REALTY ASSOCIATES L.L.C.	NJ
PHELAN REALTY ASSOCIATES L.P.	CA
PLAZA X LEASING ASSOCIATES L.L.C.	NJ
PLAZA X REALTY L.L.C.	NJ
PLAZA X URBAN RENEWAL ASSOCIATES L.L.C.	NJ
PRINCETON CORPORATE CENTER REALTY ASSOCIATES L.L.C.	NJ
PRINCETON OVERLOOK REALTY L.L.C.	NJ
ROSELAND II L.L.C.	NJ
ROSELAND OWNERS ASSOCIATES L.L.C.	NJ
SHELTON REALTY ASSOCIATES L.P.	CT
SIX COMMERCE DRIVE ASSOCIATES L.L.C.	NJ
SKYLINE REALTY L.L.C.	NY

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SUBSIDIARY <S>	INCORPORATION OR ORGANIZATION <C>
SO. WESTCHESTER REALTY ASSOCIATES L.L.C.	NY
SOUTH-WEST MAINTENANCE CORP.	NY
STEVENS AIRPORT REALTY ASSOCIATES L.P.	PA
SYLVAN/CAMPUS REALTY ASSOCIATES L.L.C.	NJ
TALLEY MAINTENANCE CORP.	NY
TALLEYRAND REALTY ASSOCIATES L.L.C.	NY
TENBY CHASE APARTMENTS L.L.C.	NJ
THE GROVE STREET URBAN RENEWAL CORP.	NJ
THE HORIZON CENTER PROPERTY OWNERS ASSOCIATION, INC.	NJ
TRADEMATRIX COMMUNICATIONS, INC.	DE
U.S. UTILIPRO SOLUTIONS L.L.C.	DE
UTILIPRO SOLUTIONS, INC.	NJ
VAUGHN PARTNERS L.L.C.	NJ
VAUGHN PRINCETON ASSOCIATES L.L.C.	NJ
VAUGHN PRINCETON ASSOCIATES L.P.	NJ
WEST-AVE. MAINTENANCE CORP.	CT
WESTAGE REALTY L.L.C.	NY
WHITE PLAINS REALTY ASSOCIATES L.L.C.	NY

</TABLE>

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Forms S-3 (Nos. 333-19101, 33-96542, 333-09081, 333-09875, 333-25475, 333-44433, 333-44441, 333-57103, 333-69029, 333-71133 and 333-80077) and the Registration Statements on Form S-8 (Nos. 333-80081, 333-18275, 33-91822, 33-19831, 333-32661, 333-44443 and 333-52478) of Mack-Cali Realty Corporation of our report dated February 20, 2001, relating to the financial statements and financial statement schedules, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
New York, New York
February 21, 2001