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

FORM 10-Q

(Mark One)
|X| QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2001
OR

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

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

Mack-Cali Realty Corporation
(Exact name of registrant as specified in its charter)

Maryland	22-3305147
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

11 Commerce Drive, Cranford, New Jersey 07016-3501
(Address or principal executive office) (Zip Code)

(908) 272-8000
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

As of August 1, 2001, there were 56,307,934 shares of $0.01 par value common stock outstanding.

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MACK-CALI REALTY CORPORATION

FORM 10-Q

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MACK-CALI REALTY CORPORATION

PART I - FINANCIAL INFORMATION

ITEM I. FINANCIAL STATEMENTS

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

The aforementioned financial statements should be read in conjunction with the notes to the aforementioned financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements and notes thereto included in Mack-Cali Realty Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2000.

The results of operations for the three and six month periods ended June 30, 2001 are not necessarily indicative of the results to be expected for the entire fiscal year or any other period.

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

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ASSETS	June 30, 2001 (UNAUDITED)	December 31, 2000
<S>	<C>	<C>
Rental property		
Land and leasehold interests	$ 488,288	$ 542,841
Buildings and improvements	2,679,435	2,934,383
Tenant improvements	120,707	106,208
Furniture, fixtures and equipment	7,046	6,445
	3,295,476	3,589,877
Less - accumulated depreciation and amortization	(314,239)	(302,932)
	2,981,237	3,286,945
Rental property held for sale, net	450,932	107,458
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Net investment in rental property	3,432,169	3,394,403
Cash and cash equivalents	22,738	13,179
Investments in unconsolidated joint ventures	130,944	101,438
Unbilled rents receivable, net	58,118	50,499
Deferred charges and other assets, net	100,337	102,655
Restricted cash	7,492	6,557
Accounts receivable, net of allowance for doubtful accounts of $693 and $552	8,121	8,246
Total assets	$ 3,759,919	$ 3,676,977
LIABILITIES AND STOCKHOLDERS' EQUITY		
Senior unsecured notes	$ 1,096,599	$ 798,099
Revolving credit facilities	76,500	348,840
Mortgages and loans payable	547,701	481,573
Dividends and distributions payable	43,080	43,496
Accounts payable and accrued expenses	51,712	53,608
Rents received in advance and security deposits	31,592	31,146
Accrued interest payable	26,814	17,477
Total liabilities	1,873,998	1,774,239
MINORITY INTERESTS:		
Operating Partnership	448,088	447,523
Partially-owned properties	--	1,925
Total minority interests	448,088	449,448
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, 56,299,124 and 56,980,893 shares outstanding	563	570
Additional paid-in capital	1,494,124	1,513,037
Dividends in excess of net earnings	(51,837)	(57,149)
Unamortized stock compensation	(5,017)	(3,168)
Total stockholders' equity	1,437,833	1,453,290
Total liabilities and stockholders' equity	$ 3,759,919	$ 3,676,977

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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)
(UNAUDITED)

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	Three Months Ended June 30,		Six Months Ended June 30,	
REVENUES	2001	2000	2001	2000
Base rents	$ 129,419	$122,072	$254,795	$243,670
Escalations and recoveries from tenants	13,430	14,627	28,192	31,295
Parking and other	3,060	6,128	5,406	9,450
Equity in earnings of unconsolidated joint ventures	2,037	1,070	5,446	2,207
Interest income	472	1,992	1,085	2,246

Total revenues	148,418	145,889	294,924	288,868
EXPENSES				
Real estate taxes	15,510	14,733	30,797	29,437
Utilities	10,699	10,014	22,655	20,393
Operating services	17,686	16,822	35,565	34,564
General and administrative	6,856	5,159	12,866	11,272
Depreciation and amortization	21,951	22,945	45,435	45,127
Interest expense	28,555	26,835	56,920	53,261
Non-recurring charges	--	9,228	--	9,228
Total expenses	101,257	105,736	204,238	203,282
Income before realized gains and unrealized losses on disposition of rental property and minority interests	47,161	40,153	90,686	85,586
Realized gains and unrealized losses on disposition of rental property	22,510	73,921	1,947	76,169
Income before minority interests	69,671	114,074	92,633	161,755
MINORITY INTERESTS:				
Operating partnership	11,998	16,784	18,222	25,760
Partially-owned properties	--	2,982	--	5,072
Net income	$ 57,673	$ 94,308	$ 74,411	$ 130,923
Basic earnings per share	$ 1.02	$ 1.61	$ 1.31	$ 2.24
Diluted earnings per share	$ 0.98	$ 1.52	$ 1.30	$ 2.14
Dividends declared per common share	$ 0.61	$ 0.58	$ 1.22	$ 1.16
Basic weighted average shares outstanding	56,519	58,545	56,662	58,420
Diluted weighted average shares outstanding	71,044	73,284	71,198	73,237

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

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

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	Common Stock		Additional Paid-In	Dividends in Excess of	Unamortized Stock	Total Stockholders'
	Shares	Par Value	Capital	Net Earnings	Compensation	Equity
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at January 1, 2001	56,981	$570	$1,513,037	$(57,149)	$(3,168)	$1,453,290
Net income	--	--	--	74,411	--	74,411
Dividends	--	--	--	(69,099)	--	(69,099)
Redemption of common units for shares of common stock	7	--	192	--	--	192
Proceeds from stock options exercised	106	1	2,388	--	--	2,389
Deferred compensation plan for directors	--	--	76	--	--	76
Issuance of Restricted Stock Awards	94	1	2,526	--	(2,527)	--
Amortization of stock compensation	--	--	--	--	630	630
Adjustment to fair value of restricted stock	--	--	152	--	(152)	--
Cancellation of Restricted Stock Awards	(7)	--	(200)	--	200	--
Repurchase of common stock	(882)	(9)	(24,047)	--	--	(24,056)
Balance at June 30, 2001	56,299	$563	$1,494,124	$(51,837)	$(5,017)	$1,437,833

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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 CASH FLOWS (IN THOUSANDS) (UNAUDITED)

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CASH FLOWS FROM OPERATING ACTIVITIES	Six Months Ended June 30, 2001	2000
<S>	<C>	<C>
Net income	$ 74,411	$ 130,923
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	45,435	45,127
Amortization of stock compensation	630	1,410
Amortization of deferred financing costs and debt discount	2,513	1,802
Stock options charge	--	1,550
Equity in earnings of unconsolidated joint ventures	(5,446)	(2,207)
Realized gains and unrealized losses on disposition of rental property	(1,947)	(76,169)

Minority interests	18,222	30,832
Changes in operating assets and liabilities:		
Increase in unbilled rents receivable, net	(7,737)	(5,537)
Increase in deferred charges and other assets, net	(1,454)	(15,697)
Decrease (increase) in accounts receivable, net	125	(140)
(Decrease) increase in accounts payable and accrued expenses	(1,896)	10,982
Increase (decrease) in rents received in advance and security deposits	829	(1,937)
Increase (decrease) in accrued interest payable	9,337	(363)
Net cash provided by operating activities	$ 133,022	$ 120,576
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to rental property	$(148,144)	$(170,062)
Repayment of mortgage note receivable	5,983	--
Investments in unconsolidated joint ventures	(24,462)	(11,081)
Distributions from unconsolidated joint ventures	19,056	7,040
Proceeds from sales of rental property	44,787	235,849
(Increase) decrease in restricted cash	(935)	583
Net cash (used in) provided by investing activities	$(103,715)	$ 62,329
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from senior unsecured notes	$ 298,269	$ --
Proceeds from revolving credit facilities	218,484	435,030
Proceeds from mortgages and loans payable	70,000	--
Repayments of revolving credit facilities	(490,825)	(396,300)
Repayments of mortgages and loans payable	(3,871)	(41,785)
Distributions to minority interest in partially-owned properties	--	(88,672)
Repurchase of common stock	(24,055)	--
Payment of financing costs	(3,159)	(5,979)
Proceeds from stock options exercised	2,389	1,665
Payment of dividends and distributions	(86,980)	(85,000)
Net cash used in financing activities	$ (19,748)	$(181,041)
Net increase in cash and cash equivalents	$ 9,559	$ 1,864
Cash and cash equivalents, beginning of period	13,179	8,671
Cash and cash equivalents, end of period	$ 22,738	

$ 10,535
</Table>

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

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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 June 30, 2001, the Company owned or had interests in 269 properties, plus developable land (collectively, the "Properties"). The Properties aggregate approximately 28.5 million square feet, and are comprised of 164 office buildings and 93 office/flex buildings totaling approximately 28.1 million square feet (which includes seven office buildings and one office/flex building aggregating 1.2 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, one multi-family residential complex consisting of 124 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 $141,623 and $188,077 as of June 30, 2001 and December 31, 2000, 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>
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Leasehold interests	Remaining lease term
Buildings and improvements	5 to 40 years
Tenant improvements	The shorter of the term of the related lease or useful life
Furniture, fixtures and equipment	5 to 10 years

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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.

PARTIALLY-OWNED PROPERTIES

The Company controlled operations of the partially-owned properties 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.

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 $1,161 and $901 for the three months ended June 30, 2001 and 2000, respectively, and $2,282 and $1,802 for the six months ended June 30, 2001 and 2000, 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 $863 and $896 for the three months ended June 30, 2001 and 2000, respectively, and $1,603 and $1,589 for the six months ended June 30, 2001 and 2000, respectively.

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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 14.

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 is required to distribute at least 90 percent of its REIT taxable income to its shareholders. Effective January 1, 2001, the Company has elected to treat certain of its corporate subsidiaries as taxable REIT subsidiaries ("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. 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.

DERIVATIVE INSTRUMENTS

The Company has adopted Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities ("FASB No. 133") as of January 1, 2001. Due to its limited use of derivative instruments, adoption of FASB No. 133 did not have a material impact on the Company's financial statements.

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 June 30, 2001 represents dividends payable to shareholders of record as of July 5, 2001 (56,308,064 shares), distributions payable to minority interest common unitholders (7,955,525 common units) on that same date and preferred distributions payable to preferred unitholders (220,340 preferred units) for the second quarter 2001. The second quarter 2001 dividends and common unit distributions of $0.61 per share and per common unit, as well as the second quarter preferred unit distribution of $17.6046 per preferred unit, were approved by the Board of Directors on June 21, 2001 and paid on July 23, 2001.

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.

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. See Note 15.

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3. ACQUISITIONS, PROPERTY SALES AND OTHER TRANSACTIONS

OPERATING PROPERTY ACQUISITIONS

The Company acquired the following operating properties during the six months ended June 30, 2001:

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Acquisition Date	Property/Portfolio Name	Location	# of Bldgs.	Rentable Square Feet	Investment by Company
<S>	<C>	<C>	<C>	<C>	<C>
OFFICE:					
4/6/01	4 & 6 Campus Drive (a)	Parsippany, Morris County, NJ	2	295,766	$48,404
<Caption> Total Office Property Acquisitions:			2	295,766	$48,404
<S>	<C>	<C>	<C>	<C>	<C>
OFFICE/FLEX:					
2/14/01	31 & 41 Twosome Drive (b)(c)	Moorestown, Burlington County, NJ	2	127,250	$7,155
4/27/01	1245 & 1247 N. Church St, 2 Twosome Drive (b)(c)	Moorestown, Burlington County, NJ	3	154,200	11,083
Total Office/Flex Property Acquisitions:			5	281,450	$18,238
Total Operating Property Acquisitions:			7	577,216	$66,642

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(a) Transaction was funded primarily through borrowing on the Company's revolving credit facility.

(b) Transactions were funded primarily from net proceeds received in the sale of a rental property as well as the Company's cash reserves.

(c) 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 during the six months ended June 30, 2001:

Date Placed in Service	Property/Portfolio Name	Location	# of Bldgs.	Rentable Square Feet	Investment by Company (a)
OFFICE:					
1/15/01	105 Eisenhower Parkway	Roseland, Essex County, NJ	1	220,000	$43,300
3/1/01	8181 East Tufts Avenue	Denver, Denver County, CO	1	185,254	34,371
Total Properties Placed in Service			2	405,254	$77,671

(a) Transactions were funded primarily through draws on the Company's revolving credit facilities and amounts presented are as of June 30, 2001.

LAND ACQUISITIONS

On January 5, 2001, the Company acquired approximately 7.1 acres of developable land located in Littleton, Arapahoe County, Colorado. The land was acquired for approximately $2,711. When the Company had committed itself to acquire the land, the Company had intended to develop the site consistent with its then business strategy. Due to a change in the Company's strategy, this land is now being held for sale (see Note 7).

PROPERTY SALES

The Company sold the following properties during the six months ended June 30, 2001:

Sale Date	Property Name	Location	# of Bldgs.	Rentable Square Feet	Net Sales Proceeds	Net Book Value	Realized Gain
OFFICE:							
6/1/01	1777 N.E. Loop 410	San Antonio, Bexar County, TX	1	256,137	$21,313	$16,703	$ 4,610
6/15/01	14511 Falling Creek	Houston, Harris County, TX	1	70,999	2,982	2,458	524
RESIDENTIAL:							
6/21/01	Tenby Chase Apartments	Delran, Burlington County, NJ	1	327 units	19,336	2,399	16,937
OTHER:							
4/3/01	North Pier-Harborside	Jersey City, Hudson County, NJ	--	n/a	3,357	2,918	439
Totals:			3	327,136	$46,988	$24,478	$22,510

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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 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 $75 and $75 in fees for such services in the six months ended June 30, 2001 and 2000, 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, Pacific Plaza I & II 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. On June 29, 2001, the venture sold the office property for approximately $67,000.

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. On January 29, 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.

PACIFIC PLAZA I & II

Pacific Plaza I & II 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.

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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. The Company performs management and leasing services for the property owned by the joint venture and recognized $110 and $104 in fees for such services in the six months ended June 30, 2001 and 2000, 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 the third quarter of 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 $58 and $147 in fees for such services in the six months ended June 30, 2001 and 2000, 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. Subsequently, through June 30, 2001, the venture paid $19,907 ($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 $94 and $59 in fees for such services in the six months ended June 30, 2001 and 2000, 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 June 30, 2001, the venture held approximately $859,448 face value of CMBS bonds at an aggregate cost of approximately $440,951.

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 provided for the sale 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. In April 2001, the Company sold the North Pier to the venture for net sales proceeds of approximately $3,357 and retained an equity interest. The venture intends to develop residential housing on the property for rental.

MC-SJP MORRIS V REALTY, LLC AND MC-SJP MORRIS VI REALTY, LLC

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.

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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 June 30, 2001 and December 31, 2000:

<Table>
<Caption>

	June 30, 2001					
	Pru-Beta 3	HPMC	G&G Martco	American Financial Exchange	Ramland Realty	Ashford Loop
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS:						
Rental property, net	$20,330	$ 92,224	$ 10,027	$42,446	$18,491	$37,637
Other assets	2,540	33,240	3,098	694	4,686	560
Total assets	$22,870	$125,464	$ 13,125	$43,140	$23,177	$38,197
LIABILITIES AND PARTNERS'/ MEMBERS' CAPITAL:						
Mortgages and loans payable	$ --	$ 67,782	$ 50,000	$ --	$16,319	$ --
Other liabilities	101	3,124	1,642	10,980	130	538
Partners'/members' capital	22,769	54,558	(38,517)	32,160	6,728	37,659
Total liabilities and partners'/members' capital	$22,870	$125,464	$ 13,125	$43,140	$23,177	$38,197
Company's net investment in unconsolidated joint ventures	$15,747	$ 37,647	$ 3,549	$33,405	$ 2,936	$ 7,880

<Caption>

	June 30, 2001			
	ARCap	MC-SJP Morris Realty	Harborside South Pier	Combined Total
<S>	<C>	<C>	<C>	<C>
ASSETS:				
Rental property, net	$ --	$17,271	$33,441	$271,867
Other assets	482,329	96	--	527,243
Total assets	$482,329	$17,367	$33,441	$799,110
LIABILITIES AND PARTNERS'/ MEMBERS' CAPITAL:				
Mortgages and loans payable	$266,030	$16,028	$10,000	$426,159
Other liabilities	5,111	--	4,425	26,051
Partners'/members' capital	211,188	1,339	19,016	346,900
Total liabilities and partners'/members' capital	$482,329	$17,367	$33,441	$799,110
Company's net investment in unconsolidated joint ventures	$ 19,745	$ 176	$ 9,859	$130,944

</Table>

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	December 31, 2000					
	Pru-Beta 3	HPMC	G&G Martco	American Financial Exchange	Ramland Realty	Ashford Loop
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS:						
Rental property, net	$20,810	$ 78,119	$ 10,589	$12,546	$18,947	$37,665
Other assets	2,737	27,082	2,508	11,851	4,755	849
Total assets	$23,547	$105,201	$ 13,097	$24,397	$23,702	$38,514
LIABILITIES AND PARTNERS'/ MEMBERS' CAPITAL:						
Mortgages and loans payable	$ --	$ 63,486	$ 50,000	$ --	$16,666	$ --
Other liabilities	160	5,035	1,368	9,400	522	1,005
Partners'/members' capital	23,387	36,680	(38,271)	14,997	6,514	37,509
Total liabilities and partners'/members' capital	$23,547	$105,201	$ 13,097	$24,397	$23,702	$38,514
Company's net investment in unconsolidated joint ventures	$16,110	$ 35,079	$ 3,973	$15,809	$ 2,782	$ 7,874

<Caption>

	December 31, 2000			
	ARCap	MC-SJP Morris Realty	Harborside South Pier	Combined Total
<S>	<C>	<C>	<C>	<C>
ASSETS:				
Rental property, net	$ --	--	--	$178,676
Other assets	310,342	--	--	360,124
Total assets	$310,342	--	--	$538,800
LIABILITIES AND PARTNERS'/ MEMBERS' CAPITAL:				
Mortgages and loans payable	$129,562	--	--	$259,714
Other liabilities	3,750	--	--	21,240
Partners'/members' capital	177,030	--	--	257,846
Total liabilities and partners'/members' capital	$310,342	--	--	$538,800
Company's net investment in unconsolidated joint ventures	$ 19,811	--	--	$101,438

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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 three and six month periods ended June 30, 2001 and 2000:

<Table>
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	Three Months Ended June 30, 2001					
	Pru-Beta 3	HPMC	G&G Martco	American Financial Exchange	Ramland Realty	Ashford Loop
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Total revenues	$1,235	$13,936	$3,084	$ 158	$ 989	$1,491
Operating and other expenses	(369)	(774)	(845)	(7)	(264)	(699)
Depreciation and amortization	(299)	(592)	(387)	(5)	(236)	(232)
Interest expense	--	(929)	(808)	--	(299)	--
Net income	$ 567	$11,641	$1,044	$ 146	$ 190	$ 560
Company's equity in earnings of unconsolidated joint ventures	$ 245	$ 1,311	$ 366	$(617)	$ 95	$ 112

<Caption>

	Three Months Ended June 30, 2001			
	ARCap	MC-SJP Morris Realty	Harborside South Pier	Combined Total
<S>	<C>	<C>	<C>	<C>
Total revenues	$ 8,504	--	--	$29,397
Operating and other expenses	(2,179)	--	--	(5,137)
Depreciation and amortization	--	--	--	(1,751)
Interest expense	(4,903)	--	--	(6,939)
Net income	$ 1,422	--	--	$15,570
Company's equity in earnings of unconsolidated joint ventures	$ 525	--	--	$ 2,037

</Table>

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	Three Months Ended June 30, 2000					
	Pru-Beta 3	HPMC	G&G Martco	American Financial Exchange	Ramland Realty	Ashford Loop
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Total revenues	$1,234	$ 2,504	$ 2,569	$254	$ 969	$1,469
Operating and other expenses	(401)	(813)	(793)	(51)	(273)	(641)
Depreciation and amortization	(305)	(1,065)	(336)	(7)	(241)	(210)
Interest expense	--	(793)	(1,039)	--	(377)	--
Net income	$ 528	$ (167)	$ 401	$196	$ 78	$ 618

Company's equity in earnings of unconsolidated joint ventures	$ 225	$ 102	$ 43	$139	$ 37	$ 124

<Caption>

Three Months Ended June 30, 2000

	ARCap	MC-SJP Morris Realty	Harborside South Pier	Combined Total
<S>	<C>	<C>	<C>	<C>
Total revenues	$4,606	--	--	$13,605
Operating and other expenses	(721)	--	--	(3,693)
Depreciation and amortization	--	--	--	(2,164)
Interest expense	(932)	--	--	(3,141)
Net income	$2,953	--	--	$ 4,607
Company's equity in earnings of unconsolidated joint ventures	$ 400	--	--	$ 1,070

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<Caption>

Six Months Ended June 30, 2001

	Pru-Beta 3	HPMC	G&G Martco	American Financial Exchange	Ramland Realty	Ashford Loop
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Total revenues	$2,488	$14,992	$ 5,807	$ 379	$1,958	$ 3,064
Operating and other expenses	(782)	(948)	(1,650)	(41)	(607)	(1,416)
Depreciation and amortization	(592)	(933)	(777)	(20)	(483)	(462)
Interest expense	--	(1,256)	(1,793)	--	(654)	--
Net income	$1,114	$11,855	$ 1,587	$ 318	$ 214	$ 1,186
Company's equity in earnings of unconsolidated joint ventures	$ 503	$ 3,464	$ 536	$(445)	$ 154	$ 209

<Caption>

Six Months Ended June 30, 2001

	ARCap	MC-SJP Morris Realty	Harborside South Pier	Combined Total
<S>	<C>	<C>	<C>	<C>
Total revenues	$27,830	--	--	$ 56,518
Operating and other expenses	(4,003)	--	--	(9,447)
Depreciation and amortization	--	--	--	(3,267)
Interest expense	(7,890)	--	--	(11,593)

Net income	$15,937	--	--	$ 32,211
Company's equity in earnings of unconsolidated joint ventures	$ 1,025	--	--	$ 5,446

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	Six Months Ended June 30, 2000					
	Pru-Beta	3 Loop	HPMC	G&G Martco	American Financial Exchange	Ramland Realty	Ashford
<S>	<C>		<C>	<C>	<C>	<C>	<C>
Total revenues	$2,468		$ 3,560	$ 5,281	$504	$1,947	$ 2,832
Operating and other expenses	(819)		(987)	(1,553)	(82)	(590)	(1,271)
Depreciation and amortization	(611)		(1,406)	(762)	(20)	(482)	(403)
Interest expense	--		(1,120)	(1,914)	--	(746)	--
Net income	$1,038		$ 47	$ 1,052	$402	$ 129	$ 1,158
Company's equity in earnings of unconsolidated joint ventures	$ 441		$ 102	$ 212	$345	$ 62	$ 245

<Caption>

	Six Months Ended June 30, 2000			
	ARCap	MC-SJP Morris Realty	Harborside South Pier	Combined Total
<S>	<C>	<C>	<C>	<C>
Total revenues	$11,150	--	--	$27,742
Operating and other expenses	(1,292)	--	--	(6,594)
Depreciation and amortization	--	--	--	(3,684)
Interest expense	(1,701)	--	--	(5,481)
Net income	$ 8,157	--	--	$11,983
Company's equity in earnings of unconsolidated joint ventures	$ 800	--	--	$ 2,207

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5. DEFERRED CHARGES AND OTHER ASSETS

<Table>
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	June 30, 2001	December 31, 2000
<S>	<C>	<C>
Deferred leasing costs	$ 84,963	$ 80,667
Deferred financing costs	26,443	23,085
	111,406	103,752
Accumulated amortization	(29,673)	(26,303)
Deferred charges, net	81,733	77,449

Prepaid expenses and other assets	18,604	25,206
Total deferred charges and other assets, net	$100,337	$102,655

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:

	June 30, 2001	December 31, 2000
Security deposits	$7,409	$6,477
Escrow and other reserve funds	83	80
Total restricted cash	$7,492	$6,557

7. RENTAL PROPERTY HELD FOR SALE

As of June 30, 2001, the Company has identified 41 office properties, aggregating approximately 4.8 million square feet, and two land parcels as held for sale. These properties are located in Texas, Arizona, Colorado, Iowa and Florida. Such properties carried an aggregate book value of $450,932, net of accumulated depreciation of $34,926 and a valuation allowance of $20,563.

As of December 31, 2000, the Company had identified 10 office properties, aggregating approximately 1.6 million square feet, and a land parcel as held for sale, all located in San Antonio and Houston, Texas. Such properties carried an aggregate book value of $107,458, net of accumulated depreciation of $7,019.

The following is a summary of the condensed results of operations of the rental properties held for sale at June 30, 2001 for the six month periods ended June 30, 2001 and 2000:

	Six Months Ended June 30, 2001	2000
Total revenues	$ 41,528	$ 40,125
Operating and other expenses	(16,939)	(15,838)
Depreciation	(2,474)	(5,781)
Net income	$ 22,115	$ 18,506

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

During the six months ended June 30, 2001, the Company determined that the carrying amounts of certain properties identified as held for sale are not expected to be recovered from estimated net sale proceeds from these property sales and, accordingly, recognized a valuation allowance of $20,563.

The following table summarizes realized gains and unrealized losses on disposition of rental property:

	Six Months Ended June 30, 2001	2000
Realized gain on sale of rental property and land	$ 22,510	$76,169
Valuation allowance on rental property held for sale	(20,563)	--

Total realized gains and unrealized losses	$ 1,947	$76,169

</Table>

8. SENIOR UNSECURED NOTES

On January 29, 2001, the Operating Partnership issued $300,000 face amount of 7.75 percent senior unsecured notes 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 primarily 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 is being amortized over the term as an adjustment to interest expense.

The Operating Partnership's 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 (collectively, "Senior Unsecured Notes") outstanding as of June 30, 2001 and December 31, 2000 is as follows:

<Table>
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	June 30, 2001	December 31, 2000	Effective 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	299,784	299,744	7.27%
7.250% Senior Unsecured Notes, due March 15, 2009	298,189	298,072	7.49%
7.835% Senior Unsecured Notes, due December 15, 2010	15,000	15,000	7.95%
7.750% Senior Unsecured Notes, due February 15, 2011	298,343	--	7.93%
Total Senior Unsecured Notes	$1,096,599	$798,099	7.51%

</Table>

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

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

9. REVOLVING CREDIT FACILITIES

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") (3.86 percent at June 30, 2001) 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

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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.

PRUDENTIAL FACILITY

The Company had a revolving credit facility ("Prudential Facility") with Prudential Securities Corp. ("PSC") in the amount of $100,000, which bore interest at 110 basis points over one-month LIBOR, with a maturity date of June 29, 2001. The Prudential Facility was a recourse liability of the Operating Partnership and was secured by the Company's equity interest in Harborside Plazas 2 and 3. The Prudential Facility limited 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 limited 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 repaid in full and terminated the Prudential Facility on June 29, 2001.

SUMMARY

As of June 30, 2001 and December 31, 2000, the Company had outstanding borrowings of $76,500 and $348,840, respectively, under its revolving credit facilities. The total outstanding borrowings were from the 2000 Unsecured Facility, 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 June 30, 2001 and December 31, 2000 is as follows:

<Table>
<Caption>

PROPERTY NAME	LENDER	EFFECTIVE INTEREST RATE	PRINCIPAL BALANCE AT JUNE 30, 2001	DECEMBER 31, 2000	MATURITY
<S>	<C>	<C>	<C>	<C>	<C>
101 & 225 Executive Drive	Sun Life Assurance Co.	6.27%	$ --	$ 2,198	06/01/01
Mack-Cali Morris Plains	Corestates Bank	7.51%	2,133	2,169	12/31/01
Mack-Cali Willowbrook	CIGNA	8.67%	9,038	9,460	10/01/03
400 Chestnut Ridge	Prudential Insurance Co.	9.44%	13,128	13,588	07/01/04
Mack-Cali Centre VI	Principal Life Insurance Co.	6.87%	35,000	35,000	04/01/05
Various (a)	Prudential Insurance Co.	7.10%	150,000	150,000	05/15/05
Mack-Cali Bridgewater I	New York Life Ins. Co.	7.00%	23,000	23,000	09/10/05
Mack-Cali Woodbridge II	New York Life Ins. Co.	7.50%	17,500	17,500	09/10/05
Mack-Cali Short Hills	Prudential Insurance Co.	7.74%	25,571	25,911	10/01/05
500 West Putnam Avenue	New York Life Ins. Co.	6.52%	9,679	10,069	10/10/05
Harborside - Plaza 1	U.S. West Pension Trust	5.61%	56,141	54,370	01/01/06
Harborside - Plazas 2 and 3	Northwestern/Principal	7.36%	163,859	95,630	

01/01/06					
Mack-Cali Airport	Allstate Life Insurance Co.	7.05%	10,474	10,500	
04/01/07					
Kemble Plaza I	Mitsubishi Tr & Bk Co.	LIBOR+0.65%	32,178	32,178	
01/31/09					
Total Property Mortgages			$547,701	$481,573	

(a) The Company has the option to convert the mortgage loan, which is secured by 12 properties, to unsecured debt.

SCHEDULED PRINCIPAL PAYMENTS

Scheduled principal payments and related weighted average annual interest rates for the Company's Senior Unsecured Notes (see Note 8), revolving credit facilities (see Note 9) and mortgages and loans payable as of June 30, 2001 are as follows:

	SCHEDULED AMORTIZATION	PRINCIPAL MATURITIES	TOTAL	WEIGHTED AVG. INTEREST RATE OF PERIOD FUTURE REPAYMENTS (A)
<S>	<C>	<C>	<C>	<C>
July through December 2001	$ 1,554	$ 2,096	$ 3,650	9.08%
2002	3,260	--	3,260	10.25%
2003	3,407	268,594	272,001	6.61%
2004	2,247	309,863	312,110	7.34%
2005	1,420	253,178	254,598	7.14%
Thereafter	(1,361)	876,542	875,181	7.46%
Totals/Weighted Average	$10,527	$1,710,273	$1,720,800	7.27%

(a) Assumes weighted average LIBOR at June 30, 2001 of 4.04 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 six months ended June 30, 2001 and 2000 was $52,530 and $56,035, respectively. Interest capitalized by the Company for the six months ended June 30, 2001 and 2000 was $7,315 and $4,189, respectively.

SUMMARY OF INDEBTEDNESS

As of June 30, 2001, the Company's total indebtedness of $1,720,800 (weighted average interest rate of 7.27 percent) was comprised of $108,678 of revolving credit facility borrowings and other variable rate mortgage debt (weighted average rate of 5.07 percent) and fixed rate debt of $1,612,122 (weighted average rate of 7.42 percent).

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).

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.

The following table sets forth the changes in minority interests which relate to Preferred Units, common units and Unit Warrants in the Operating Partnership for the six months ended June 30, 2001:

<Table>
<Caption>

	Preferred Units	Common Units	Unit Warrants	Preferred Unitholders	Common Unitholders	Unit Warrants	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at January 1, 2001	220,340	7,963,725	2,000,000	$226,005	$212,994	$8,524	$447,523
Net income	--	--	--	7,758	10,464	--	18,222
Distributions	--	--	--	(7,758)	(9,707)	--	(17,465)
Redemption of common units for shares of common stock	--	(7,200)	--	--	(192)	--	(192)
Balance at June 30, 2001	220,340	7,956,525	2,000,000	$226,005	$213,559	$8,524	$448,088

</Table>

MINORITY INTEREST OWNERSHIP

As of June 30, 2001 and December 31, 2000, 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 12.3 percent (20.1 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).

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 for 2001. Total expense recognized by the Company for both the six month periods ended June 30, 2001 and 2000 was $200.

<Page>

13. COMMITMENTS AND CONTINGENCIES

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 June 30, 2001, are as follows:

<Table>
<Caption>

Period	Amount
<S>	<C>
July through December 2001	$ 266
2002	531
2003	531

2004	534
2005	534
Thereafter	21,997
Total	$24,393

</Table>

Ground lease expense incurred during the six months ended June 30, 2001 and 2000 amounted to $284 and $285, respectively.

OTHER

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 six months ended June 30, 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.

14. TENANT LEASES

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

15. STOCKHOLDERS' EQUITY

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

COMMON STOCK REPURCHASES

On September 13, 2000, the Board of Directors authorized the Company to purchase up to $150,000 of the Company's outstanding common stock ("Repurchase Program"). 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.

Under the Repurchase Program, the Company purchased for constructive retirement 881,500 shares of its outstanding common stock for an aggregate cost of approximately $24,056 for the six months ended June 30, 2001.

<Page>

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. There were 60,000 stock options granted for the six months ended June 30, 2001. As of June 30, 2001, stock options outstanding had a weighted average remaining contractual life of approximately 6.9 years.

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, 2001	4,633,319	$30.14
Granted	60,000	$26.31
Exercised	(106,340)	$22.51
Lapsed or canceled	(122,412)	$29.81
Outstanding at June 30, 2001	4,464,567	$30.28
Options exercisable at June 30, 2001	2,630,748	$31.28
Available for grant at June 30, 2001	2,320,978	

</Table>

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 June 30, 2001, there were a total of 749,976 Stock Warrants outstanding. As of June 30, 2001, there were 671,980 Stock Warrants exercisable. For the six months ended June 30, 2001, no Stock Warrants were canceled. No Stock Warrants have been exercised through June 30, 2001.

STOCK COMPENSATION

In connection with stock awards granted to officers and certain other employees of the Company (collectively, "Restricted Stock Awards"), officers and certain other employees are to receive up to a total of 198,279 shares of the Company's common stock generally vesting over a three or five-year period. Certain Restricted Stock Awards are contingent upon the Company meeting certain performance and/or stock price appreciation objectives. The Restricted Stock Awards provided to the officers and certain other employees were granted under the 2000 Employee Plan and Employee Plan.

Effective January 1, 2001, 24,019 Restricted Stock Awards vested and therefore were released to the officers and certain other employees. For the six months ended June 30, 2001, 7,408 unvested Restricted Stock Awards were canceled.

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EARNINGS PER SHARE

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

The following information presents the Company's results for the three and six month periods ended June 30, 2001 and 2000 in accordance with FASB No. 128:

<Table>
<Caption>

	Three Months Ended June 30,	
	2001	2000

	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
<S>	<C>	<C>	<C>	<C>
Net income	$57,673	$57,673	$94,308	$ 94,308
Add: Net income attributable to Operating Partnership - common units	--	8,119	--	13,019
Net income attributable to Operating Partnership - preferred units	--	3,879	--	3,765
Adjusted net income	$57,673	$69,671	$94,308	$111,092
Weighted average shares	56,519	71,044	58,545	73,284
Per Share	$ 1.02	$ $ 0.98	$ 1.61	$ 1.52

<Table>
<Caption>

	Six Months Ended June 30,			
	2001		2000	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
<S>	<C>	<C>	<C>	<C>
Net income	$74,411	$74,411	$130,923	$130,923
Add: Net income attributable to Operating Partnership - common units	--	10,464	--	18,126
Net income attributable to Operating Partnership - preferred units	--	7,758	--	7,634
Adjusted net income	$74,411	$92,633	$130,923	$156,683
Weighted average shares	56,662	71,198	58,420	73,237
Per Share	$ 1.31	$ 1.30	$ 2.24	$ 2.14

</Table>

<Page>

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

<Table>
<Caption>

	Three Months	Six Months

	Ended June 30, 2001	2000	Ended June 30, 2001	2000
<S>	<C>	<C>	<C>	<C>
Basic EPS Shares:	56,519	58,545	56,662	58,420
Add: Operating Partnership - common units	7,957	8,082	7,959	8,107
Operating Partnership - preferred units (after conversion to common units)	6,359	6,457	6,359	6,537
Stock options	209	200	218	173
Diluted EPS Shares:	71,044	73,284	71,198	73,237

</Table>

Through June 30, 2001, under the Repurchase Program, the Company purchased for constructive retirement, a total of 4,777,000 shares of its outstanding common stock for an aggregate cost of approximately $132,131.

16. SEGMENT REPORTING

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

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

<Page>

Selected results of operations for the three and six month periods ended June 30, 2001 and 2000 and selected asset information as of June 30, 2001 and December 31, 2000 regarding the Company's operating segment are as follows:

<Table>
<Caption>

	Total Segment	Corporate & Other (e)	Total Company	
<S>	<C>	<C>	<C>	<C>
TOTAL CONTRACT REVENUES (a):				
Three months ended:				
June 30, 2001	$ 143,252	$ 1,109	$ 144,361	(f)
June 30, 2000	140,117	2,372	142,489	(g)
Six months ended:				
June 30, 2001	$ 284,556	$ 2,505	$ 287,061	(h)
June 30, 2000	280,258	3,020	283,278	(i)
TOTAL OPERATING AND INTEREST EXPENSES (b):				
Three months ended:				
June 30, 2001	$ 43,617	$ 35,689	$ 79,306	(j)
June 30, 2000	42,044	31,519	73,563	(k)
Six months ended:				
June 30, 2001	$ 88,893	$ 69,910	$ 158,803	(l)
June 30, 2000	84,808	64,119	148,927	(m)
NET OPERATING INCOME (c):				
Three months ended:				
June 30, 2001	$ 99,635	$(34,580)	$ 65,055	(f) (j)
June 30, 2000	98,073	(29,147)	68,926	(g) (k)
Six months ended:				
June 30, 2001	$ 195,663	$(67,405)	$ 128,258	(h) (l)
June 30, 2000	195,450	(61,099)	134,351	(i) (m)
TOTAL ASSETS:				
June 30, 2001	$3,711,992	$ 47,927	$3,759,919	
December 31, 2000	3,623,107	53,870	3,676,977	
TOTAL LONG-LIVED ASSETS (d):				
June 30, 2001	$3,592,243	$ 28,987	$3,621,230	
December 31, 2000	3,522,766	23,574	3,546,340	

</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.

(f) Excludes $3,967 of adjustments for straight-lining of rents and $90 for the Company's share of straight-line rent adjustments from unconsolidated joint ventures.

(g) Excludes $3,403 of adjustments for straight-lining of rents and ($3) for the Company's share of straight-line rent adjustments from unconsolidated joint ventures.

(h) Excludes $7,737 of adjustments for straight-lining of rents and $126 for the Company's share of straight-line rent adjustments from unconsolidated joint ventures.

(i) Excludes $5,536 of adjustments for straight-lining of rents and $54 for the Company's share of straight-line rent adjustments from unconsolidated joint ventures.

(j) Excludes $21,951 of depreciation and amortization.

(k) Excludes $22,945 of depreciation and amortization and non-recurring charges of $9,228.

(l) Excludes $45,435 of depreciation and amortization.

(m) Excludes $45,127 of depreciation and amortization and non-recurring charges of $9,228.

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

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

The following comparisons for the three and six month periods ended June 30, 2001 ("2001"), as compared to the three and six month periods ended June 30, 2000 ("2000"), make reference to the following: (i) the effect of the "Same-Store Properties," which represents all in-service properties owned by the Company at March 31, 2000 (for the three-month period comparisons), and which represent all in-service properties owned by the Company at December 31, 1999 (for the six-month period comparisons), excluding Dispositions as defined below, (ii) the effect of the "Acquired Properties," which represent all properties acquired or placed in service by the Company from April 1, 2000 through June 30, 2001 (for the three-month period comparisons), and which represent all properties acquired or placed in service by the Company from January 1, 2000 through June 30, 2001 (for the six-month period comparisons), and (iii) the effect of the "Dispositions", which represent results for each period for those rental properties sold by the Company during the same periods.

THREE MONTHS ENDED JUNE 30, 2001 COMPARED TO THREE MONTHS ENDED JUNE 30, 2000

<Table>
<Caption>

(DOLLARS IN THOUSANDS)	Quarter Ended June 30, 2001	2000	Dollar Change	Percent Change
<S>	<C>	<C>	<C>	<C>
REVENUE FROM RENTAL OPERATIONS:				
Base rents	$129,419	$122,072	$ 7,347	6.0%
Escalations and recoveries from tenants	13,430	14,627	(1,197)	(8.2)
Parking and other	3,060	6,128	(3,068)	(50.1)
Sub-total	145,909	142,827	3,082	

2.2				
Equity in earnings of unconsolidated joint ventures	2,037	1,070	967	
90.4				
Interest income	472	1,992	(1,520)	
(76.3)				
Total revenues	148,418	145,889	2,529	
1.7				
PROPERTY EXPENSES:				
Real estate taxes	15,510	14,733	777	
5.3				
Utilities	10,699	10,014	685	
6.8				
Operating services	17,686	16,822	864	
5.1				
Sub-total	43,895	41,569	2,326	
5.6				
General and administrative	6,856	5,159	1,697	
32.9				
Depreciation and amortization	21,951	22,945	(994)	
(4.3)				
Interest expense	28,555	26,835	1,720	
6.4				
Non-recurring charges	--	9,228	(9,228)	
(100.0)				
Total expenses	101,257	105,736	(4,479)	
(4.2)				
Income before realized gains and unrealized losses on disposition of rental property and minority interests	47,161	40,153	7,008	
17.5				
Realized gains and unrealized losses on disposition of rental property	22,510	73,921	(51,411)	
(69.5)				
Income before minority interests	69,671	114,074	(44,403)	
(38.9)				
MINORITY INTERESTS:				
Operating partnership	11,998	16,784	(4,786)	
(28.5)				
Partially-owned properties	--	2,982	(2,982)	
(100.0)				
Net income	$ 57,673	$ 94,308	$(36,635)	
(38.8)%				

</Table>

<Page>

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):

<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

REVENUE FROM RENTAL OPERATIONS:										
Base rents	$ 7,347	6.0%	$ 3,963	3.2%	$8,043	6.6%	$(4,659)	(3.8)%		
Escalations and recoveries from tenants	(1,197)	(8.2)	(1,141)	(7.8)	566	3.9	(622)	(4.3)		
Parking and other	(3,068)	(50.1)	(3,014)	(49.2)	142	2.3	(196)	(3.2)		
Total	$ 3,082	2.2%	$ (192)	(0.1)%	$8,751	6.1%	$(5,477)	(3.8)%		
PROPERTY EXPENSES:										
Real estate taxes	$ 777	5.3%	$ 149	1.0%	$1,029	7.0%	$ (401)	(2.7)%		
Utilities	685	6.8	624	6.2	469	4.7	(408)	(4.1)		
Operating services	864	5.1	453	2.7	1,282	7.6	(871)	(5.2)		
Total	$ 2,326	5.6%	$ 1,226	2.9%	$2,780	6.7%	$(1,680)	(4.0)%		
OTHER DATA:										
Number of Consolidated Properties	261		246		15		10			
Square feet (in thousands)	27,353		25,358		1,995		2,276			

Base rents for the Same-Store Properties increased $4.0 million, or 3.2 percent, for 2001 as compared to 2000, due primarily to rental rate increases in 2001. Escalations and recoveries from tenants for the Same-Store Properties decreased $1.1 million, or 7.8 percent, for 2001 over 2000, due to the recovery of a decreased amount of total property expenses in 2001, as well as increased settle-up billings during the second quarter 2000. Parking and other income for the Same-Store Properties decreased $3.0 million, or 49.2 percent, due primarily to fewer lease termination fees in 2001.

Real estate taxes on the Same-Store Properties increased $0.1 million, or 1.0 percent, for 2001 as compared to 2000, due primarily to property tax rate increases in certain municipalities in 2001. Utilities for the Same-Store Properties increased $0.6 million, or 6.2 percent, for 2001 as compared to 2000, due primarily to increased gas rates. Operating services for the Same-Store Properties increased $0.5 million, or 2.7 percent, due primarily to an increase in maintenance costs in 2001.

Equity in earnings of unconsolidated joint ventures increased $1.0 million, or 90.4 percent, for 2001 as compared to 2000. This is due primarily to properties developed by joint ventures being placed in service during 2000 and higher occupancies at certain properties in 2001 (see Note 4 to the Financial Statements).

Interest income decreased $1.5 million, or 76.3 percent, for 2001 as compared to 2000. This decrease was due primarily to additional interest income in 2000 on investment of proceeds from the Dispositions in cash and cash equivalents.

General and administrative increased by $1.7 million, or 32.9 percent, for 2001 as compared to 2000. This increase is due primarily to increased professional fees, mostly on account of costs for transactions not consummated, and increased payroll and related costs in 2001.

Depreciation and amortization decreased by $1.0 million, or 4.3 percent, for 2001 over 2000. Of this decrease, $1.7 million, or 7.4 percent, is attributable to the Same-Store Properties, and $0.7 million, or 3.1 percent, is due to the Dispositions, partially offset by an increase of $1.4 million, or 6.2 percent, due to the Acquired Properties.

Interest expense increased $1.7 million, or 6.4 percent, for 2001 as compared to 2000. This increase is due primarily to the replacement in early 2001 of short-term credit facility borrowings with higher, long-term fixed rate unsecured debt.

<Page>

Income before realized and unrealized gain on disposition of rental property and minority interests increased to $47.2 million in 2001 from $40.2 million in 2000. The increase of approximately $7.0 million is due to the factors discussed above.

Net income decreased by $36.6 million, from $94.3 million in 2000 to $57.7 million in 2001. This decrease was a result of a gain on sale of rental property in 2000 of $73.9 million, which was partially offset by a gain on sale of rental property in 2001 of $22.5 million, an increase in income before realized and unrealized gain on disposition of rental property and minority interests of $7.0 million in 2001 as compared to 2000, and a decrease in minority interests of $7.8 million in 2001.

SIX MONTHS ENDED JUNE 30, 2001 COMPARED TO SIX MONTHS ENDED JUNE 30, 2000

<Table>
<Caption>

(DOLLARS IN THOUSANDS)	Six Months Ended June 30, 2001	2000	Dollar Change	Percent Change
<S>	<C>	<C>	<C>	<C>
REVENUE FROM RENTAL OPERATIONS:				
Base rents	$254,795	$243,670	$ 11,125	4.6%
Escalations and recoveries from tenants	28,192	31,295	(3,103)	(9.9)
Parking and other	5,406	9,450	(4,044)	(42.8)
Sub-total	288,393	284,415	3,978	1.4
Equity in earnings of unconsolidated joint ventures	5,446	2,207	3,239	146.8
Interest income	1,085	2,246	(1,161)	(51.7)
Total revenues	294,924	288,868	6,056	2.1
PROPERTY EXPENSES:				
Real estate taxes	30,797	29,437	1,360	4.6
Utilities	22,655	20,393	2,262	11.1
Operating services	35,565	34,564	1,001	2.9
Sub-total	89,017	84,394	4,623	5.5
General and administrative	12,866	11,272	1,594	14.1
Depreciation and amortization	45,435	45,127	308	0.7
Interest expense	56,920	53,261	3,659	6.9
Non-recurring charges	--	9,228	(9,228)	(100.0)
Total expenses	204,238	203,282	956	0.5
Income before realized gains and unrealized losses on disposition of rental property and minority interests	90,686	85,586	5,100	6.0
Realized gains and unrealized losses on disposition of rental property	1,947	76,169	(74,222)	

(97.4)
- ---------- ---------- ---------- ----------
Income before minority interests 92,633 161,755 (69,122)
(42.7)
MINORITY INTERESTS:
Operating partnership 18,222 25,760 (7,538)
(29.3)
Partially-owned properties -- 5,072 (5,072)
(100.0)
- ---------- ---------- ---------- ----------

Net income $ 74,411 $130,923 $(56,512)
(43.2)%
========== ========== ========== ==========

</Table>

<Page>

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):

<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	$ 11,125	4.6%	$ 9,273	3.8%	$14,055	5.8%	$(12,203)	(5.0)%
Escalations and recoveries from tenants	(3,103)	(9.9)	(1,835)	(5.9)	1,081	3.5	(2,349)	(7.5)
Parking and other	(4,044)	(42.8)	(3,683)	(39.0)	171	1.8	(532)	(5.6)
Total	$ 3,978	1.4%	$ 3,755	1.3%	$15,307	5.4%	$(15,084)	(5.3)%
PROPERTY EXPENSES:								
Real estate taxes	$ 1,360	4.6%	$ 461	1.6%	$ 1,952	6.6%	$ (1,053)	(3.6)%
Utilities	2,262	11.1	1,910	9.4	1,236	6.1	(884)	(4.4)
Operating services	1,001	2.9	1,024	3.0	2,140	6.2	(2,163)	(6.3)
Total	$ 4,623	5.5%	$ 3,395	4.0%	$ 5,328	6.3%	$ (4,100)	(4.8)
OTHER DATA:								
Number of Consolidated Properties	261		245		16		10	
Square feet (in thousands)	27,353		25,297		2,056		2,276	

</Table>

Base rents for the Same-Store Properties increased $9.3 million, or 3.8 percent, for 2001 as compared to 2000, due primarily to rental rate increases in 2001. Escalations and recoveries from tenants for the Same-Store Properties decreased $1.8 million, or 5.9 percent, for 2001 over 2000, due to the recovery of a decreased amount of total property expenses in 2001, as well as increased settle-up billings in 2000. Parking and other income for the Same-Store

Properties decreased $3.7 million, or 39.0 percent, due primarily to fewer lease termination fees in 2001.

Real estate taxes on the Same-Store Properties increased $0.5 million, or 1.6 percent, for 2001 as compared to 2000, due primarily to property tax rate increases in certain municipalities in 2001. Utilities for the Same-Store Properties increased $1.9 million, or 9.4 percent, for 2001 as compared to 2000, due primarily to increased gas rates. Operating services for the Same-Store Properties increased $1.0 million, or 3.0 percent, due primarily to an increase in maintenance costs in 2001.

Equity in earnings of unconsolidated joint ventures increased $3.2 million, or 146.8 percent, for 2001 as compared to 2000. This is due primarily to properties developed by joint ventures being placed in service during 2000 and higher occupancies at certain properties (see Note 4 to the Financial Statements).

Interest income decreased $1.2 million, or 51.7 percent, for 2001 as compared to 2000. This decrease was due primarily to additional interest income in 2000 on investment of proceeds from the Dispositions in cash and cash equivalents.

General and administrative increased by $1.6 million, or 14.1 percent, for 2001 as compared to 2000. This increase is due primarily to increased professional fees, mostly on account of costs for transactions not consummated, and increased payroll and related costs in 2001.

Depreciation and amortization decreased by $0.3 million, or 0.7 percent, for 2001 over 2000. Of this increase, $2.6 million, or 5.9 percent, is due to the Acquired Properties, partially offset by a decrease of $1.4 million, or 3.2 percent, due to the Dispositions and $0.9 million, or 2.0 percent, attributable to the Same-Store Properties.

Interest expense increased $3.7 million, or 6.9 percent, for 2001 as compared to 2000. This increase is due primarily to the replacement in 2001 of short-term credit facility borrowings with higher, long-term fixed rate unsecured debt.

Income before realized gains and unrealized losses on disposition of rental property and minority interests increased to $90.7 million in 2001 from $85.6 million in 2000. The increase of approximately $5.1 million is due to the factors discussed above.

Net income decreased by $56.5 million, from $130.9 million in 2000 to $74.4 million in 2001. This decrease was a result of a gain on sale of rental property of $76.2 million. This was partially offset by a gain on sale of rental property of $2.0 million in 2001, an increase in income before realized gains and unrealized losses on disposition of rental property and minority interests of $5.1 million, and a decrease in minority interests of $12.6 million in 2001.

LIQUIDITY AND CAPITAL RESOURCES

STATEMENT OF CASH FLOWS

During the six months ended June 30, 2001, the Company generated $133.0 million in cash flows from operating activities, and together with $586.8 million in borrowings from the Company's senior unsecured notes, revolving credit facilities and additional mortgage financing, $44.8 million in proceeds from sales of rental property, $19.1 million in distributions received from unconsolidated joint ventures, $6.0 million in proceeds from repayment of a mortgage note receivable and $2.4 million in proceeds from stock options exercised used an aggregate of approximately $792.1 million to acquire properties and land parcels and pay for other tenant and building improvements totaling $148.1 million, repay outstanding borrowings on its revolving credit facilities and other mortgage debt of $494.7 million, pay quarterly dividends and distributions of $87.0 million, invest $24.5 million in unconsolidated joint ventures, pay financing costs of $3.2 million, repurchase 881,500 shares of its outstanding common stock for $24.1 million, add $0.9 million to restricted cash and add $9.6 million to cash and cash equivalents.

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.

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 late 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 late 2002. Plaza 10 is 100 percent pre-leased to Charles Schwab & Co. Inc. 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.

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 July 31, 2001, the Company purchased for constructive retirement 2.9 million shares of its outstanding common stock for an aggregate cost of approximately $79.7 million under the Repurchase Program. The Company has authorization to repurchase up to an additional $70.3

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 June 30, 2001, the Company's total indebtedness of $1.7 billion (weighted average interest rate of 7.27 percent) was comprised of $108.7 million of revolving credit facility borrowings and other variable rate mortgage debt (weighted average rate of 5.07 percent) and fixed rate debt of $1.6 billion (weighted average rate of 7.42 percent).

As of June 30, 2001, the Company had outstanding borrowings of $76.5 million under its 2000 Unsecured Facility (with aggregate borrowing capacity of $800.0 million). 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 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 January 29, 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 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.

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.

On May 18, 2001, the Company obtained $70.0 million in additional mortgage financing secured by Harborside Financial Center Plazas II and III from the existing lender. The 7.42 percent interest only financing matures concurrent with the existing financing on January 1, 2006. The total financing secured by Harborside Financial Center Plazas II and III of $163.9 million at June 30, 2001, has a weighted average interest rate of 7.36 percent. Proceeds from the financing were used to pay down the outstanding borrowings on the 2000 Unsecured Facility.

As of June 30, 2001, the Company had 236 unencumbered properties, totaling 21.3 million square feet, representing 77.3 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 debt.

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.

As of June 30, 2001, the Company's total debt had a weighted average term to maturity of approximately 5.3 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 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 $139.1 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.

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 realized gains and unrealized losses on disposition 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 three and six month periods ended June 30, 2001 and 2000, 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>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
Income before realized gains and unrealized losses on disposition of rental property and minority interests	$47,161	$40,153	$ 90,686	$ 85,586
Add: Real estate-related depreciation and amortization (1)	23,068	23,434	47,071	46,152
Gain on sale of land	--	--	--	2,248
Non-recurring charges	--	9,228	--	9,228
Deduct: Rental income adjustment for straight-lining of rents (2)	(4,057)	(3,400)	(7,862)	(5,590)
Minority interests: partially-owned properties	--	(2,982)	--	(5,072)
Funds from operations, after adjustment for straight-lining of rents and non-recurring charges	$66,172	$66,433	$ 129,895	$ 132,552
Deduct: Distributions to preferred unitholders	(3,879)	(3,765)	(7,758)	(7,634)
Funds from operations, after adjustment for straight-lining of rents and non-recurring charges, after distributions to preferred unitholders	$62,293	$62,668	$ 122,137	$ 124,918
Cash flows provided by operating activities			$ 133,022	$ 120,576
Cash flows used in investing activities			$(103,715)	$ 62,329
Cash flows used in financing activities			$ (19,748)	

$(181,041)
- ----------
Basic weighted averages shares/units
outstanding (3) 64,476 66,627 64,621
66,527
- ----------
Diluted weighted average shares/units
outstanding (3) 71,044 73,284 71,198
73,237
- ----------
</Table>

(1) Includes the Company's share from unconsolidated joint ventures of $1,471 and $686 for the three months ended June 30, 2001 and 2000, respectively, and $2,193 and $1,420 for the six months ended June 30, 2001 and 2000, respectively.
(2) Includes the Company's share from unconsolidated joint ventures of $90 and $(3) for the three months ended June 30, 2001 and 2000, respectively, and $126 and $54 for six months ended June 30, 2001 and 2000, respectively.
(3) See calculations for the amounts presented in the following reconciliation.

<Page>

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

<Table>
<Caption>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
Basic weighted average shares:	56,519	58,545	56,662	58,420
Add: Weighted average common units	7,957	8,082	7,959	8,107
Basic weighted average shares/units:	64,476	66,627	64,621	66,527
Add: Weighted average preferred units (after conversion to common units)	6,359	6,457	6,359	6,537
Stock options	209	200	218	173
Diluted weighted average shares/units:	71,044	73,284	71,198	73,237

</Table>

INFLATION

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

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

The Company considers portions of this information to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. 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.

<Page>

ITEM 3. 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 $1.6 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 June 30, 2001 ranged from LIBOR plus 65 basis points to LIBOR plus 80 basis points.

JUNE 30, 2001

<Table>
<Caption>

DEBT, INCLUDING CURRENT PORTION TOTAL	FAIR VALUE	7/1/01 - 12/31/01	2002	2003	2004	2005	THEREAFTER	
<S>		<C>	<C>	<C>	<C>	<C>	<C>	<C>
Fixed Rate		$3,650	$3,260	$195,500	$312,110	$254,598	$843,004	
$1,612,122	$1,619,032							
Average Interest Rate		9.08%	10.25%	7.31%	7.34%	7.14%	7.53%	
7.42%								
Variable Rate				$ 76,500			$ 32,178	$
108,678	$ 108,678							

</Table>

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.

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PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

Not Applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not Applicable.

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

On May 15, 2000, the Company held its Annual Meeting of Stockholders to elect five directors to the Board of Directors of the Company, among other things. At the Annual Meeting, the Company's stockholders elected the following Class I directors to serve until the Annual Meeting of Stockholders to be held in 2004: Brendan T. Byrne (Number of shares for: 47,392,598, Number of shares against: 1,143,853), Martin D. Gruss (Number of shares for: 47,422,540, Number of shares against: 1,113,911), Vincent Tese (Number of shares for: 47,426,848, Number of shares against: 1,109,603), and Roy J. Zuckerberg (Number of shares for: 47,425,081, Number of shares against: 1,111,370). The remaining members of the 13 member Board of Directors and their respective terms of offices are as follows: Class II directors, Nathan Gantcher, Earle I. Mack, William L. Mack and Alan G. Philibosian, whose terms expire at the Annual Meeting of Stockholders to be held in 2002 and Class III directors, John J. Cali, John R. Cali, Mitchell E. Hersh, Irvin D. Reid and Robert F. Weinberg, whose terms expire at the Annual Meeting of Stockholders to be held in 2003.

At the Annual Meeting, the Company's stockholders also voted upon

and approved the ratification of the appointment of PricewaterhouseCoopers LLP, independent accountants, as the Company's independent accountants for the ensuing year (Number of shares for: 48,335,671, Number of shares against: 68,785, Number of shares abstained: 131,995, Number of broker non-votes: 0).

In addition, at the Annual Meeting the Company's stockholders voted upon and approved, by the vote of at least a majority of all outstanding shares that is required for charter amendments, the adoption of an amendment to the charter of the Company to decrease the affirmative stockholder vote required to approve any extraordinary corporate action, such as a merger, consolidation, sale of all or substantially all of the assets or dissolution of the Company, from two-thirds to a majority of all votes entitled to be cast on the action by the holders of the outstanding shares of stock of the Company (Number of shares for: 32,458,044, Number of shares against: 8,972,767, Number of shares abstained: 103,363, Number of broker non-votes: 7,002,277). Accordingly, the proposal passed by a vote of 56.98% of the Company's outstanding shares.

ITEM 5. OTHER INFORMATION

Not Applicable.

<Page>

ITEM 6 - EXHIBITS

(a) 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 11, 2001.
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 of Mack-Cali Realty, L.P. dated December 11, 1997 (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. dated August 21, 1998 (filed as Exhibit 3.1 to the Company's and the Operating Partnership'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. dated July 6, 1999 (filed as Exhibit 10.1 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 Operating Partnership'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 Operating Partnership's Form 8-K dated March 16, 1999 and incorporated herein by reference).

</Table>

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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 Operating Partnership'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 Operating Partnership'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 Operating Partnership'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 (filed as Exhibit 10.5 to the Company's Form 10-K for the year ended December 31, 2000 and incorporated herein by reference).
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).

</Table>

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<Caption>

EXHIBIT NUMBER	EXHIBIT TITLE
<S>	<C>
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).
10.10	Restricted Share Award Agreement dated as of March 12, 2001 between Roger W. Thomas and Mack-Cali Realty Corporation (filed as Exhibit 10.10 to the Company's Form 10-Q dated March 31, 2001 and incorporated herein by reference).
10.11	Restricted Share Award Agreement dated as of March 12, 2001 between Michael Grossman and Mack-Cali Realty Corporation (filed as Exhibit 10.11 to the Company's Form 10-Q dated March 31, 2001 and incorporated herein by reference).
10.12	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 (filed as Exhibit 10.10 to the Company's Form 10-K for the year ended December 31, 2000 and incorporated herein by reference).
10.13	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).
10.14	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).
10.15	Employee Stock Option Plan of Mack-Cali Realty Corporation (filed as Exhibit 10.1 to the Company's Post-Effective Amendment No. 1 to Form S-8, Registration No. 333-44443, and incorporated herein by reference).
10.16	Director Stock Option Plan of Mack-Cali Realty Corporation (filed as Exhibit 10.2 to the Company's Post-Effective Amendment No. 1 to Form S-8, Registration No. 333-44443, and incorporated herein by reference).
10.17	2000 Employee Stock Option Plan (filed as Exhibit 10.1 to the Company's Registration Statement on Form S-8, Registration No. 333-52478, and incorporated herein by reference).
10.18	2000 Director Stock Option Plan (filed as Exhibit 10.2 to the Company's Registration Statement on Form S-8, Registration No. 333-52478, and incorporated herein by reference).

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EXHIBIT NUMBER	EXHIBIT TITLE
<S>	<C>
*10.19	Amended and Restated Mortgage and Security made as of May 18, 2001 between Cali Harborside (Fee) Associates L.P., a New Jersey limited partnership, Cal-Harbor II & III Urban Renewal Associates L.P., a New Jersey limited partnership, Cal-Harbor IV Urban Renewal Associates L.P., a New Jersey limited partnership and Cal-Harbor VI Urban Renewal Associates L.P., a New Jersey limited partnership, and The Northwestern Mutual Life Insurance Company, a Wisconsin corporation, and Principal Life Insurance Company, an Iowa corporation, formerly known as Principal Mutual Life Insurance Company.
*10.20	Promissory Note of Cali Harborside (Fee) Associates L.P., a New Jersey limited partnership, Cal-Harbor II & III Urban Renewal Associates L.P., a New Jersey limited partnership, Cal-Harbor IV Urban Renewal Associates L.P., a New Jersey limited partnership and Cal-Harbor VI Urban Renewal Associates L.P., a New Jersey limited partnership, dated as of May 18, 2001 in the amount of $35,000,000.00 payable to the order of Principal Life Insurance Company, an Iowa corporation.
*10.21	Promissory Note of Cali Harborside (Fee) Associates L.P., a New Jersey limited partnership, Cal-Harbor II & III Urban Renewal Associates L.P., a New Jersey limited partnership, Cal-Harbor IV Urban Renewal Associates L.P., a New Jersey limited partnership and Cal-Harbor VI Urban Renewal Associates L.P., a New Jersey limited partnership, dated as of May 18, 2001 in the amount of $35,000,000.00 payable to the order of The Northwestern Mutual Life Insurance Company, a Wisconsin corporation.
*10.22	Purchase and Sale Agreement dated August 3, 2001, between Robert Martin Company, LLC, a New York limited liability company, and 5/6 Skyline Realty L.L.C., a New York limited liability company.
*10.23	Partnership Interest Purchase Agreement dated August 3, 2001, by and between Madeira-RMC L.P., a New York limited partnership, Madeira Management Company, Inc., a Delaware corporation, Merlot Management Company, Inc., a Delaware corporation, Robert Martin Company, LLC, a New York limited liability company, and Robert Martin Company, LLC, as agent for 5/6 Skyline Realty L.L.C., a New York limited liability company.
*10.24	Nominee Agreement dated as of August 3, 2001, by and between Robert Martin Company, LLC, a New York limited liability company, and 5/6 Skyline Realty L.L.C., a New York limited liability company.

</Table>

(b) Reports on Form 8-K

During the second quarter of 2001, the Company filed a report on Form 8-K dated May 10, 2001, furnishing under Items 7 and 9 certain supplemental data regarding its operations. The Company also filed a report on Form 8-K dated May 15, 2001, furnishing under Items 5 and 7 the voting results of the proposals presented to stockholders at the Company's Annual Meeting of Stockholders held on May 15, 2001, and the Company's charter amendment.

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*filed herewith

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SIGNATURES

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

MACK-CALI REALTY CORPORATION

(Registrant)

Date: August 8, 2001 By: /s/ MITCHELL E. HERSH

Mitchell E. Hersh
Chief Executive Officer

Date: August 8, 2001 By: /s/ BARRY LEFKOWITZ

Barry Lefkowitz
Executive Vice President &
Chief Financial Officer

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Exhibit 3.1

MACK-CALI REALTY CORPORATION

ARTICLES OF RESTATEMENT

Mack-Cali Realty Corporation, a Maryland corporation (the "Corporation"), having its principal office in the State of Maryland at c/o CSC-Lawyers Incorporating Service Company, 11 East Chase Street, Baltimore, Maryland 21202, hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: The Corporation desires to and does hereby restate its charter as currently in effect.

SECOND: The following provisions are all the provisions of the charter of the Corporation currently in effect, as restated herein:

ARTICLE I

NAME

The name of the corporation (the "Corporation") is:

Mack-Cali Realty Corporation

ARTICLE II

PURPOSE

The purposes for which the Corporation is formed are to engage in any lawful act or activity (including, without limitation or obligation, engaging in business as a real estate investment trust under the Internal Revenue Code of 1986, as amended, or any successor statute (the "Code")) for which corporations may be organized under the general laws of the State of Maryland as now or hereafter in force. For purposes of these Articles, "REIT" means a real estate investment trust under Sections 856 through 860 of the Code.
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ARTICLE III

PRINCIPAL OFFICE IN STATE AND RESIDENT AGENT

The post office address of the principal office of the Corporation in the State of Maryland is c/o CSC-Lawyers Incorporating Service Company, 11 East Chase Street, Baltimore, Maryland 21202. The name of the resident agent of the Corporation in the State of Maryland is CSC-Lawyers Incorporating Service Company, 11 East Chase Street, Baltimore, Maryland 21202. The resident agent is a corporation located in the State of Maryland.

ARTICLE IV

STOCK

Section 1. AUTHORIZED SHARES. The total number of shares of stock which the Corporation has authority to issue is 195,000,000 shares, of which 190,000,000 shares are shares of Common Stock, $.01 par value per share ("Common Stock") and 5,000,000 shares are shares of Preferred Stock, $.01 par value per share ("Preferred Stock"). The aggregate par value of all authorized shares of stock having par value is $1,950,000.

Section 2. VOTING RIGHTS. Subject to the provisions of Article VI hereof, each share of Common Stock shall entitle the holder thereof to one (1) vote. The Board of Directors of the Corporation may authorize the issuance from time to time of shares of its Common Stock, whether now or hereafter authorized, for such consideration as the Board of Directors may deem advisable, subject to such restrictions or limitations, if any, as may be set forth in the Bylaws of the Corporation.

Section 3. ISSUANCE OF PREFERRED STOCK. The Preferred Stock may be issued, from time to time, in one or more series as authorized by the Board of Directors. Prior to issuance of shares of each series, the Board of Directors by resolution shall designate that series to distinguish it from all other series and classes of stock of the Corporation, shall specify the number of shares to be included in the series and, subject to the provisions of Article VI hereof, shall set the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption. Subject to the express terms of any other series of Preferred Stock outstanding at the time and notwithstanding any other provision of the charter, the Board of Directors may increase or decrease the number of shares of, or alter the designation or classify or reclassify, any unissued shares of any series of Preferred Stock by setting or changing, in any

one or more respects, from time to time before issuing the shares, and, subject to the provisions of Article VI hereof, the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption of the shares of any series of Preferred Stock.

Section 4. ARTICLES OF INCORPORATION AND BYLAWS. All persons who shall acquire stock in the Corporation shall acquire the same subject to the provisions of the articles of incorporation and the Bylaws of the Corporation.

Section 5. AUTHORIZED SERIES OF PREFERRED STOCK. Pursuant to the authority vested in the Board of Directors under Section 3 of this Article IV, the Board of Directors has classified, and authorized for issuance, 200,000 shares of Preferred Stock as a separate series designated as "Series A Junior Participating Preferred Stock" ("Series A Preferred Stock") and having the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption set forth on Exhibit A attached hereto and incorporated herein by reference.

ARTICLE V

PROVISIONS FOR DEFINING, LIMITING AND REGULATING CERTAIN POWERS OF THE CORPORATION AND OF THE STOCKHOLDERS AND DIRECTORS

Section 1. NUMBER AND CLASSIFICATION. The number of directors of the Corporation initially shall be four (4) until the date of the Initial Public Offering (as defined below), which number may be increased or decreased pursuant to the Bylaws of the Corporation; PROVIDED, HOWEVER, that (a) if there is stock outstanding and so long as there are three (3) or more stockholders, the number of directors shall never be less than three (3) and (b) if there is stock outstanding and so long as there are less than three (3) stockholders, the number of directors may be less than three but not less than the number of stockholders. From and after the date of the Initial Public Offering, the number of directors of the Corporation shall be nine, which number may be increased or decreased in accordance with the Bylaws of the Corporation.

The directors shall be divided into three (3) classes designated as Class I, Class II and Class III, as nearly equal in number as possible, with a term of three (3) years each, and the terms of office of one class shall expire each year. Class I directors shall hold office initially for a term expiring at the annual meeting of stockholders in 1995, Class II directors shall hold office initially for a term expiring at the annual meeting of stockholders in 1996 and Class III directors shall hold office initially for a term expiring at the annual meeting of stockholders in 1997. Beginning with the annual meeting of stockholders in 1995 and at each succeeding annual meeting of stockholders, the directors of the class of directors whose term expires at such meeting will be elected to hold office for a term expiring at the third-succeeding annual meeting. Each director will hold office for the term for which he or she is elected and until his or her successor is duly elected and qualifies.

Section 2. REMOVAL. A director may be removed only for cause and only by the affirmative vote of at least two-thirds (2/3) of all the votes entitled to be cast for the election of directors. A special meeting of the stockholders may be called, in

accordance with the Bylaws of the Corporation, for the purpose of removing a director.

Section 3. VACANCIES. Should a vacancy in the Board of Directors occur or be created (whether arising through death, retirement, resignation or removal of a director), such vacancy shall be filled by the affirmative vote of a majority of the remaining directors, even though less than a quorum of the Board of Directors, except that any vacancy which results from an increase in the number of directors shall be filled by the affirmative vote of a majority of the entire Board of Directors. A director so elected to fill a vacancy shall serve for the remainder of the term of the class to which he was elected.

Section 4. AUTHORIZATION BY BOARD OF STOCK ISSUANCE. The Board of Directors of the Corporation may authorize the issuance from time to time of shares of its stock of any class, whether now or hereafter authorized, or securities convertible into shares of its stock of any class, whether now or hereafter authorized, for such consideration as the Board of Directors may deem advisable, subject to such restrictions or limitations, if any, as may be set forth in the articles of incorporation or the Bylaws of the Corporation or in the general laws of the State of Maryland.

Section 5. PREEMPTIVE RIGHTS. Except as may be provided by the Board of Directors in authorizing the issuance of shares of Preferred Stock pursuant to Article IV, Section 3, no holder of shares of stock of the Corporation shall have any preemptive right to purchase or subscribe for any additional shares of the stock of the Corporation or any other security of the Corporation which it may issue or sell.

Section 6. INDEMNIFICATION. The Corporation shall have the power, to the maximum extent permitted by Maryland law in effect from time to time, to obligate itself to indemnify, and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding to, (i) any individual who is a present or former director or officer of the Corporation or (ii) any individual who, while a director of the Corporation and at the request of the Corporation, serves or has served another corporation, partnership, joint venture, trust, employee benefit plan or any other enterprise as a director, officer, partner or trustee of such corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. The Corporation shall have the power, with the approval of its Board of Directors, to provide such indemnification and advancement of expenses to a person who served a predecessor of the Corporation in any of the capacities described in (i) or (ii) above and to any employee or agent of the Corporation or a predecessor of the Corporation.

Section 7. RELATED PARTY TRANSACTIONS. Without limiting any other procedures available by law or otherwise to the Corporation, the Board of Directors may authorize any transaction with any person, corporation, association, company, trust, partnership (limited or general) or other organization, although one or more of the directors or officers of the Corporation may be a party to any such agreement or an officer, director, stockholder or member of such other party, and no such agreement or transaction shall be invalidated or rendered void or voidable solely by reason of the

existence of any such relationship if the existence is disclosed or known to the Board of Directors, and the contract or transaction is approved by the affirmative vote of a majority of the disinterested directors, even if they constitute less than a quorum of the Board. Any director of the Corporation who is also a director, officer, stockholder or member of such other entity may be counted in determining the existence of a quorum at any meeting of the Board of Directors considering such matter.

Section 8. DETERMINATIONS BY BOARD. The determination as to any of the following matters, made in good faith by or pursuant to the direction of the Board of Directors consistent with the articles of incorporation of the Corporation and in the absence of actual receipt of an improper benefit in money, property or services or active and deliberate dishonesty established by a court, shall be final and conclusive and shall be binding upon the Corporation and every holder of shares of its stock: the amount of the net income of the Corporation for any period and the amount of assets at any time legally available for the payment of dividends, redemption of its stock or the payment of other distributions on its stock; the amount of paid-in surplus, net assets, other surplus, annual or other net profit, net assets in excess of capital, undivided profits or excess of profits over losses on sales of assets; the amount, purpose, time of creation, increase or decrease, alteration or cancellation of any reserves or charges and the propriety thereof (whether or not any obligation or liability for which such reserves or charges shall have been created shall have been paid or discharged); the fair value, or any sale, bid or asked price to be applied in determining the fair value, of any asset owned or held by the Corporation; and any matters relating to the acquisition, holding and disposition of any assets by the Corporation.

Section 9. RESERVED POWERS OF BOARD. The enumeration and definition of particular powers of the Board of Directors included in this Article V shall in no way be limited or restricted by reference to or inference from the terms of any other clause of this or any other provision of the articles of incorporation of the Corporation, or construed or deemed by inference or otherwise in any manner to exclude or limit the powers conferred upon the Board of Directors under the general laws or the State of Maryland as now or hereafter in force.

Section 10. REIT QUALIFICATION. The Board of Directors shall use its reasonable best efforts to cause the Corporation and its stockholders to qualify for U.S. Federal income tax treatment in accordance with the provisions of the Code applicable to a REIT. In furtherance of the foregoing, the Board of Directors shall use its reasonable efforts to take such actions as are necessary, and may take such actions as in its sole judgment and discretion are desirable, to preserve the status of the Corporation as a REIT, PROVIDED, HOWEVER, that if the Board of Directors determines that it is no longer in the best interests of the Corporation to continue to have the Corporation qualify as a REIT, the Board of Directors may revoke or otherwise terminate the Corporation's REIT election pursuant to Section 856(g) of the Code.

Section 11. SUBTITLE 8 ELECTION IN BYLAWS. Pursuant to Title 3, Subtitle 8 of the Maryland General Corporation Law (the "MGCL"), the Board of Directors of the Corporation, by resolution duly adopted at a duly called meeting held on June 10, 1999, amended the Bylaws of the Corporation to provide that the Corporation elects to be subject to the provisions of Section 3-804 of the MGCL.

ARTICLE VI

REIT PROVISIONS

Section 1. DEFINITIONS. The following terms shall have the following meanings:

(a) "Acquire" shall mean the acquisition of Beneficial Ownership of shares of capital stock of the Corporation by any means including, without limitation, acquisition pursuant to the exercise of any option, warrant, pledge or other security interest or similar right to acquire shares, but shall not include the acquisition of any such rights unless, as a result, the acquiror would be considered a Beneficial Owner, as defined below.

(b) "Beneficial Ownership" shall mean ownership of capital stock of the Corporation by a Person who would be treated as an owner of such shares of capital stock either directly or indirectly under Section 542(a)(2) of the Code, taking into account, for this purpose, constructive ownership determined under Section 544 of the Code, as modified by Section 856(h)(1)(B) of the Code (except where expressly provided otherwise). The terms "Beneficial Owner," "Beneficial Owns" and "Beneficially Owned" shall have the correlative meanings.

(c) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) "Initial Public Offering" shall mean the sale of shares of Common Stock pursuant to the Corporation's first effective registration statement for such Common Stock filed under the Securities Act of 1933, as amended.

(e) "Ownership Limit" shall mean 9.8% of the outstanding capital stock of the Corporation.

(f) "Person" shall mean an individual, corporation, partnership, estate, trust (including a trust qualified under Section 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity and also includes a group as that term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended; but does not include an underwriter that participates in a public offering of the Common Stock for a period of 90 days following purchase by such underwriter of the Common Stock.

(g) "REIT" shall mean a Real Estate Investment Trust under Section 856 of the Code.

(h) "Redemption Price" shall mean the lower of (i) the price paid by the transferee from whom shares are being redeemed and (ii) the average of the last reported sales prices on the New York Stock Exchange of the class of capital stock to be redeemed on the ten trading days immediately preceding the date fixed for redemption by the Board of Directors, or if such capital stock is not then traded on the New York Stock Exchange, the average of the last reported sales prices of such capital stock on the ten trading days immediately preceding the relevant date as reported on any exchange or quotation system over which such capital stock may be traded, or if such capital stock is not then traded over any exchange or quotation system, then the price determined in good faith by the Board of Directors of the Corporation as the fair market value of shares of such capital stock on the relevant date. The Redemption Price may, at the option of the Corporation, be paid in the form of Units. If the shares to be redeemed are shares of Common Stock, the number of Units to be paid shall equal the number of shares redeemed. If the shares to be redeemed are not shares of Common Stock, the number of Units to be paid shall be the number determined in good faith by the Board of Directors of the Corporation to be equal to the value of the shares to be redeemed.

(i) "Restriction Termination Date" shall mean the first day after the date of the Initial Public Offering on which the Board of Directors of the Corporation determine that it is no longer in the best interests of the Corporation to attempt to, or continue to, qualify as a REIT.

(j) "Transfer" shall mean any sale, transfer, gift, assignment, devise or other disposition of capital stock or the right to vote or receive dividends on capital stock (including (i) the granting of any option or entering into any agreement for the sale, transfer or other disposition of capital stock or (ii) the sale, transfer, assignment or other disposition or grant of any securities or rights convertible into or exchangeable for capital stock, or the right to vote or receive dividends on capital stock), whether voluntary or involuntary, whether of record or beneficially and whether by operation of law or otherwise.

(k) "Units" shall mean limited partnership interests in Mack-Cali Realty, L.P., a Delaware limited partnership.

Section 2. RESTRICTIONS.

(a) Except as provided in Section 8 of this Article VI, during the period commencing on the date of the Initial Public Offering and prior to the Restriction Termination Date: (i) no Person shall Acquire any shares of capital stock if, as a result of such acquisition, such Person shall Beneficially Own shares of capital stock in excess of the Ownership Limit; (ii) no Person shall Acquire any shares of capital stock if, as a result of such acquisition, the capital stock would be directly or indirectly owned by less than 100 Persons (determined without reference to the rules

of attribution under Section 544 of the Code); and (iii) no Person shall Acquire any shares if, as a result of such acquisition, the Corporation would be "closely held" within the meaning of Section 856(h) of the Code.

(b) Any Transfer that would result in a violation of the restrictions in Section 2(a) of this Article VI shall be void AB INITIO as to the Transfer of such shares of capital stock that would cause the violation of the applicable restriction in Section 2(a) of this Article VI, and the purported transferee shall acquire no rights in such shares of capital stock.

Section 3. REMEDIES FOR BREACH.

(a) If the Board of Directors or a committee thereof shall at any time determine in good faith that a Transfer has taken place that falls within the scope of Section 2(b) of this Article VI or that a Person intends to Acquire Beneficial Ownership of any shares of the Corporation that will result in violation of Sections 2(a) or 2(b) of this Article VI (whether or not such violation is intended), the Board of Directors or a committee thereof shall take such action as it or they deem advisable to refuse to give effect to or to prevent such Transfer, including, but not limited to, refusing to give effect to such Transfer on the books of the Corporation or instituting proceedings to enjoin such Transfer.

(b) Without limitation to Sections 2(b) and 3(a) of this Article VI, any purported transferee of shares acquired in violation of Section 2 of this Article VI shall, if it shall be deemed to have received any shares, be deemed to have acted as agent on behalf of the Corporation in acquiring such of the Shares as result in a violation of Section 2 of this Article VI and shall be deemed to hold such Shares in trust on behalf and for the benefit of the Corporation. The purported transferee shall have no right to receive dividends or other distributions with respect to such shares, and shall have no right to vote such shares. The Corporation shall pay dividends declared but not paid, (because the Transfer to the purported transferee violated the ownership restrictions as set forth in Section 2 (a) of this Article VI), to the permitted transferee in the event that the purported transferee resells such shares to a permitted transferee (as described below). Such purported transferee shall have no claim, cause of action, or any other recourse whatsoever against a transferor of shares acquired in violation of Section 2 of this Article VI. The purported transferee's only rights with respect to such shares shall be to (i) resell such shares to a permitted transferee in a transfer that is not violative of any provision of the ownership restrictions as set forth in Section 2(a) of this Article VI, or (ii) absent such sale, to receive the Redemption Price pursuant to Section 3(c) of this Article VI.

(c) The Board of Directors shall, within six months after receiving notice of a Transfer that violates Section 2(a) of this Article VI, redeem all shares held in trust for the Corporation pursuant to Section 3 (b) of this Article VI for the Redemption Price within such six-month period on such date as the Board of Directors may determine if such purported transferee has not resold the shares to a permitted transferee in a Transfer which is not violative of any provision of the

ownership restrictions as set forth in Section 2(a) of this Article VI. If the Board of Directors directs the purported transferee to sell the shares, the purported transferee shall receive such proceeds as trustee for the Corporation and pay the Corporation out of the proceeds of such sale all expenses incurred by the Corporation in connection with such sale plus any remaining amount of such proceeds that exceeds the amount paid by the purported transferee for the shares, and the purported transferee shall be entitled to retain only any proceeds in excess of such amounts required to be paid to the Corporation.

Section 4. NOTICE OF RESTRICTED TRANSFER. Any Person who acquires or attempts or intends to acquire shares in violation of Section 2 of this Article VI shall immediately give written notice to the Corporation of such event and shall provide to the Corporation such other information as the Corporation may request in order to determine the effect, if any, of such Transfer or attempted or intended Transfer on the Corporation's status as a REIT.

Section 5. OWNERS REQUIRED TO PROVIDE INFORMATION. From the date of the Initial Public Offering and prior to the Restriction Termination Date:

(a) every stockholder of record of more than 5% (or such lower percentage as required by the Code or regulations promulgated thereunder) of the outstanding capital stock of the Corporation shall, within 30 days after December 31 of each year, give written notice to the Corporation stating the name and address of such record stockholder, the number of shares Beneficially Owned by it, and a description of how such shares are held; PROVIDED THAT a shareholder of record who holds outstanding capital stock of the Corporation as nominee for another person, which other person is required to include in gross income the dividends received on such capital stock (an "Actual Owner"), shall give written notice to the Corporation stating the name and address of such Actual Owner and the number of shares of such Actual Owner with respect to which the stockholder of record is nominee.

(b) every Actual Owner of more than 5% (or such lower percentage as required by the Code or regulations promulgated thereunder) of the outstanding capital stock of the Corporation who is not a stockholder of record of the Corporation, shall within 30 days after December 31 of each year, give written notice to the Corporation stating the name and address of such Actual Owner, the number of shares Beneficially Owned, and a description of how such shares are held.

(c) each Person who is a Beneficial Owner of capital stock and each Person (including a stockholder of record) who is holding capital stock for a Beneficial Owner shall provide to the Corporation such information as the Corporation may request, in good faith, in order to determine the Corporation's status as a REIT.

Section 6. REMEDIES NOT LIMITED. Subject to Section 11 of this Article VI, nothing contained in this Article VI shall limit the authority of the Board of Directors

to take such other action as it deems necessary or advisable to protect the Corporation and the interests of its stockholders in preserving the Corporation's status as a REIT.

Section 7. AMBIGUITY. In the case of an ambiguity in the application of any of the provisions of this Article VI, including any definition contained in Section 1 of this Article VI, the Board of Directors shall have the power to determine the application of the provisions of this Article VI with respect to any situation based on the facts known to it.

Section 8. EXCEPTION. The Board of Directors may, upon receipt of either a certified copy of a ruling from the Internal Revenue Service or an opinion of counsel satisfactory to the Board of Directors, but shall in no case be required to, exempt a Person (the "Exempted Holder") from the Ownership Limit if the ruling or opinion concludes that no Person who is an individual as defined in Section 542(a)(2) of the Code will, as the result of the ownership of shares by the Exempted Holder, be considered to have Beneficial Ownership of an amount of capital stock that will violate the Ownership Limit.

Section 9. LEGEND. Each certificate for capital stock of the Corporation shall bear the following legend:

> The shares of _____ stock represented by this certificate are subject to restrictions on transfer for the purpose of the Corporation's maintenance of its status as a Real Estate Investment Trust under the Internal Revenue Code of 1986, as amended. No Person may Beneficially Own shares of capital stock in excess of 9.8% of the outstanding capital stock of the Corporation. Any Person who attempts to Beneficially Own shares of capital stock in excess of the above limitation must immediately notify the Corporation; any shares of capital stock so held may be subject to mandatory redemption or sale in

certain events, and acquisitions of shares of capital stock in excess of such limitation shall be void AB INITIO. A Person who attempts to Beneficially Own shares of the Corporation's capital stock in violation of the ownership limitations set forth in Section 2 of Article VI of the Articles of Restatement shall have no claim, cause of action, or any other recourse whatsoever against a transferor of such shares. All capitalized terms in this legend have the meanings defined in the Corporation's Restated Articles of Incorporation, a copy of which, including the restrictions on transfer, will be sent without charge to each stockholder who so requests.

Section 10. SEVERABILITY. If any provision of this Article VI or any application of any such provision is determined to be invalid by any Federal or state court having jurisdiction over the issues, the validity of the remaining provisions shall be affected, and other applications of such provisions shall be affected, only to the extent necessary to comply with the determination of such court.

Section 11. NYSE SETTLEMENT. Notwithstanding any provision contained herein to the contrary, nothing in these Articles of Restatement shall preclude settlement of any transaction concerning the Corporation's capital stock entered into through the facilities of the New York Stock Exchange.

ARTICLE VII

AMENDMENTS AND OTHER EXTRAORDINARY ACTIONS

Section 1. GENERAL POWER TO AMEND CHARTER. The Corporation reserves the right from time to time to make any amendment to its charter, now or hereafter authorized by law, including any amendment altering the terms or contract rights, as expressly set forth in this charter, of any shares of outstanding stock. All rights and powers conferred by the charter of the Corporation on stockholders, directors and officers are granted subject to this reservation.

Section 2. VOTE REQUIRED. Except as specifically required in Article V, Section 2 of the charter of the Corporation, notwithstanding any provision of law requiring a greater proportion of the votes entitled to be cast by the stockholders in order to take or approve any action, such action shall be valid and effective if taken or approved by the affirmative vote of at least a majority of all votes entitled to be cast by the stockholders on the matter.

ARTICLE VIII

LIMITATION OF LIABILITY

To the maximum extent that Maryland law in effect from time to time permits limitation of the liability of directors and officers, no director or officer of the Corporation shall be liable to the Corporation or its stockholders for money damages. Neither the amendment nor repeal of this Article VIII, nor the adoption or amendment of any other provision of the articles of incorporation or Bylaws of the Corporation inconsistent with this Article VIII, shall apply to or affect in any respect the applicability of the preceding sentence with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

THIRD: These Articles of Restatement do not amend the charter of the Corporation.

FOURTH: The foregoing restatement of the charter of the Corporation has been approved by a majority of the entire Board of Directors.

FIFTH: The current address of the principal office of the Corporation is as set forth in Article III of the foregoing restatement of the charter.

SIXTH: The name and address of the Corporation's current resident agent is as set forth in Article III of the foregoing restatement of the charter.

SEVENTH: The number of directors of the Corporation currently is 13 and the names and classes of those currently in office are as follows:

Robert F. Weinberg	Class III
Brendan T. Byrne	Class I
John R. Cali	Class III
John J. Cali	Class III
Nathan Gantcher	Class II
Martin D. Gruss	Class I
Mitchell E. Hersh	Class III

Earle I. Mack	Class II
William L. Mack	Class II
Alan G. Philibosian	Class II
Irvin D. Reid	Class III
Vincent Tese	Class I
Roy J. Zuckerberg	Class I

EIGHTH: The undersigned Chief Executive Officer acknowledges these Articles of Restatement to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned Chief Executive Officer acknowledges that, to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

IN WITNESS WHEREOF, the Corporation has caused these Articles of Restatement to be signed in its name and on its behalf by its Chief Executive Officer and attested to by its Secretary on this 11th day of June, 2001.

MACK-CALI REALTY CORPORATION

By: /s/ Mitchell E. Hersh (SEAL)

Name: Mitchell E. Hersh
Title: Chief Executive Officer

Attest:

/s/ Roger W. Thomas

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

EXHIBIT A

MACK-CALI REALTY CORPORATION

SERIES A JUNIOR PARTICIPATING PREFERRED STOCK

The number of shares, terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms or conditions of redemption of the separate series of Preferred Stock of Mack-Cali Realty Corporation (the "Company") designated as Series A Junior Participating Preferred Stock are as follows:

Section 1. DESIGNATION AND AMOUNT. This series of Preferred Stock shall be designated the "Series A Junior Participating Preferred Stock" (the "Series A Preferred Stock") and the number of shares which shall constitute the Series A Preferred Stock shall be 200,000 shares. Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, that no decrease shall reduce the number of shares of Series A Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Company convertible into Series A Preferred Stock.

Section 2. DIVIDEND RIGHTS. (a) Subject to the rights of holders of any shares of any series of Preferred Stock (or any similar stock) ranking prior and superior to the Series A Preferred Stock with respect to dividends, the holders of shares of Series A Preferred Stock, in preference to the holders of common stock, par value $0.01 per share (the "Common Stock"), of the Company and of any other junior stock, shall be entitled to receive, when, as and if authorized by the Board of Directors out of assets legally available for the purpose, quarterly dividends payable in cash on the first business day of April, July, October and January in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (i) $1.00 or (ii) subject to the provision for adjustment hereinafter set forth, 1,000 times the aggregate per share amount of all cash dividends, and 1,000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions (other than a dividend payable in shares of Common Stock) or a subdivision of the outstanding shares of

Common Stock (by reclassification or otherwise) authorized on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock. In the event the Board of Directors of the Company shall at any time (A) authorize, declare or pay any dividend on the Common Stock payable in shares of Common Stock, or (ii) effect a subdivision or combination or consolidation of the outstanding shares of Common Stock into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of Series A Preferred Stock were entitled immediately prior to such event under clause (ii) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock

outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) The Company shall declare a dividend or distribution on the Series A Preferred Stock as provided in paragraph (a) of this Section 1 immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of $1.00 per share on the Series A Preferred Shares shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(c) Dividends shall begin to accrue and be cumulative on outstanding Series A Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 60 days prior to the date fixed for the payment thereof.

Section 3. VOTING RIGHTS. The holders of shares of Series A Preferred Stock shall have the following voting rights:

(a) Subject to the provision for adjustment hereinafter set forth, each share of Series A Preferred Stock shall entitle the holder thereof to 1,000 votes on all matters submitted to a vote of the stockholders of the Company. In the event the Company shall at any time (i) declare or pay any dividend on the Common Stock payable in shares of Common Stock, or (ii) effect a subdivision or combination or consolidation of the outstanding shares of Common Stock into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) Except as otherwise provided herein, in any other articles supplementary creating a series of Preferred Stock or any similar stock, or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock and any other stock of the Company having general voting rights shall vote together as one class on all matters submitted to

a vote of stockholders of the Company.

(c) Except as set forth herein, holders of shares of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. CERTAIN RESTRICTIONS.

(a) Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not authorized or declared, on shares of Series A Preferred Stock outstanding shall have been paid in full, the Company shall not:

(i) authorize, declare or pay dividends, or make any other distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

(ii) authorize, declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, provided that the Company may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of any stock of the Company ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or

(iv) redeem or purchase or otherwise acquire for consideration any shares of Series A Preferred Stock or any shares of stock ranking on a parity with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(b) The Company shall not permit any subsidiary of the Company to purchase or otherwise acquire for consideration any shares of stock of the Company unless the Company could, under paragraph (a) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. REACQUIRED SHARES. Any shares of Series A Preferred Stock purchased or otherwise acquired by the Company in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock, subject to the conditions and restrictions on issuance set forth herein, in the Charter or in any other articles supplementary creating a series of Preferred Stock or as otherwise required by law.

Section 6. LIQUIDATION, DISSOLUTION OR WINDING UP. Upon any liquidation, dissolution or winding up of the Company, no distribution shall be made (a) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received $100 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not authorized or declared, to the date of such payment, provided that the holders of shares of Series A Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment as hereinafter set forth, equal to 1,000 times the aggregate amount to be distributed per share to holders of shares of Common Stock, or (b) to the holders of shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except distributions made ratably on the Series A Preferred Stock and all such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the Board of Directors of the Company shall at any time authorize, declare or pay any dividend on the combination or consolidation of the outstanding shares of Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the proviso in clause (a) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. MERGER, CONSOLIDATION, ETC. In case the Company shall enter into any merger, consolidation, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Series A Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 1,000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Board of Directors of the Company shall at any time (a) authorize, declare or pay any dividend on the Common Stock payable in shares of Common Stock or (b) effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such

amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. NO REDEMPTION. The shares of Series A Preferred Stock shall not be redeemable.

Section 9. RANKING. The Series A Preferred Stock shall rank, with respect to the payment of dividends and the distribution of assets upon liquidation, dissolution, winding up or otherwise, junior to all series of the Company's Preferred Stock, unless the terms of any such series shall provide otherwise.

Section 10. AMENDMENT. The charter, including the provisions establishing the rights and preferences of the Series A Preferred Stock, shall not be amended in any manner which would materially alter or change the preferences, voting powers or other rights or restrictions of the Series A Preferred Stock, as set forth herein, so as to affect them adversely without the affirmative vote of the holders of a majority of the outstanding shares of Series A Preferred Stock, voting together as a single class.

Section 11. RESTRICTIONS AND LIMITATIONS. Shares of Series A Preferred Stock shall be subject to the restrictions and limitations set forth in Article VI of the Charter.

Section 12. FRACTIONAL SHARES. Series A Preferred Stock may be issued in fractions of a share that shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Preferred Stock.

Section 13. NO CONVERSION RIGHTS. The holders of the Series A Preferred Stock shall not have any rights to convert such shares into shares of any other class or series of stock of the Company or into any other securities of, or interest in, the Company.

Section 14. NO PREEMPTIVE RIGHTS. No holder of shares of Series A Preferred Stock shall have any preemptive or preferential right to subscribe for, or to purchase, any additional shares of stock of the Company of any class or series, or any other security of the Company which the Company may issue or sell.

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Exhibit 10.19

NEW JERSEY
NMLIC LOAN NO. C 331903 / C 332558
PLIC LOAN NO. D 750948 / D 752837
RECORDING REQUESTED BY

WHEN RECORDED MAIL TO

The Northwestern Mutual Life Ins. Co.
720 East Wisconsin Avenue - Rm N16WC
Milwaukee, WI 53202
Attn: Janet M. Szukalski

SPACE ABOVE THIS LINE FOR RECORDER'S USE

This instrument was prepared by Carol C. Stern, Esq., McCarter & English, LLP, Four Gateway Center, 100 Mulberry Street, Newark, New Jersey 07102-4096, Attorneys for The Northwestern Mutual Life Insurance Company, 720 East Wisconsin Avenue, Milwaukee, WI 53202 and Principal Life Insurance Company, 711 High Street, Des Moines, Iowa 50392-0301.

AMENDED AND RESTATED MORTGAGE AND SECURITY AGREEMENT

THIS AMENDED AND RESTATED MORTGAGE and SECURITY AGREEMENT (the "Mortgage"), made as of the 18th day of May, 2001 between CALI HARBORSIDE (FEE) ASSOCIATES L.P., a New Jersey limited partnership, CAL-HARBOR II & III URBAN RENEWAL ASSOCIATES L.P., a New Jersey limited partnership, CAL-HARBOR IV URBAN RENEWAL ASSOCIATES L.P., a New Jersey limited partnership and CAL-HARBOR VI URBAN RENEWAL ASSOCIATES L.P., a New Jersey limited partnership, whose mailing address is c/o Mack-Cali Realty Corporation, 11 Commerce Drive, Cranford, New Jersey 07016 (each, a "Mortgagor," and, collectively, "Mortgagors"), and THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, a Wisconsin corporation, 720 E. Wisconsin Avenue, Milwaukee, Wisconsin 53202 and PRINCIPAL LIFE INSURANCE COMPANY, an Iowa corporation, formerly known as Principal Mutual Life Insurance Company, 711 High Street, Des Moines, Iowa 50392-0301(together, "Mortgagee"):

RECITALS

A. Mortgagee made a loan (the "1995 Loan") as evidenced by two Promissory Notes dated as of December 5, 1995 executed by Plaza One Exchange Place Limited Partnership, a New Jersey limited partnership, Harborside Exchange Place Limited

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Partnership, a New Jersey limited partnership, Harborside Urban Renewal Associates L.P., a New Jersey limited partnership, Plaza II and III Urban Renewal Associates L.P., a New Jersey limited partnership, Plaza IV Urban Renewal Associates L.P., a New Jersey limited partnership, Plaza V Urban Renewal Associates L.P., a New Jersey limited partnership and Plaza VI Urban Renewal Associates L.P., a New Jersey limited partnership (herein collectively called, "Original Mortgagors") in the aggregate sum of One Hundred Ten Million Dollars ($110,000,000.00) (together, the "Plaza II/III Notes").

B. In connection with the execution of the Plaza II/III Notes, and as security therefor, Original Mortgagors executed and delivered a Mortgage and Security Agreement in favor of Mortgagee dated as of December 5, 1995 (the "Original Mortgage Date"), securing an indebtedness in the original amount of $110,000,000.00 which was recorded on December 7, 1995 in Mortgage Book 5805, Page 240 ET SEQ. in the records of Hudson County, New Jersey (the "Original Mortgage"), which Original Mortgage encumbers the property described therein (the "Property").

C. On or about October 29, 1996, Mortgagors acquired the Property from Original Mortgagors and assumed all of Original Mortgagors' covenants, conditions and obligations under the Loan Documents (as defined in the Original Mortgage), pursuant to that certain Assignment and Assumption Agreement dated as of November 1, 1996 and recorded November 6, 1996 in Deed Book 5063, Page 116 ET SEQ. in the records of Hudson County, New Jersey (the "Assignment").

D. On or about May 26, 1999, the Original Mortgage Date was amended pursuant to that certain Amendment of Terms of Lien Instrument by and between Mortgagors and Lenders dated as of May 26, 1999 and recorded July 6, 2000 in Mortgage Book 0473, Page 142 ET SEQ. in the records of Hudson County, New Jersey.

E. Since the Original Mortgage and, as of the date hereof, with respect to the Plaza V Land (defined as both that certain fee and leasehold interest in

a 2.21-acre (96,422 square feet) parcel of land located in Jersey City, Hudson County, New Jersey owned by Cali Harborside and leased to Cal-Harbor V Urban Renewal Associates L.P., a New Jersey limited partnership, being known as Lot 2 in Block 10 on the City of Jersey City Tax Assessment Map), Mortgagee has released various parcels from the lien of the Original Mortgage, so that, as of the date hereof, the property described on the attached Schedule "A" remains as security for the 1995 Loan.

F. Contemporaneously herewith, Mortgagors are executing in favor of Mortgagee two Promissory Notes in the aggregate sum of Seventy Million Dollars ($70,000,000.00) (together, the "2001 Notes"), which 2001 Notes are to be secured by the Original Mortgage, as amended and restated herein.

G. Mortgagors and Mortgagee desire to amend, and restate the Original

Mortgage in accordance with the terms and provisions that are hereafter set forth.

NOW THEREFORE in consideration of the foregoing facts and covenants contained herein and other valuable consideration, receipt of which is hereby acknowledged, Mortgagors and Mortgagee hereby agree as follows:

1. The foregoing recitals are true and correct and constitute a material part of the Mortgage.

2. Mortgagors hereby ratify, acknowledge and confirm the mortgaging and conveyancing of the Property to Mortgagee. Nothing herein contained shall affect the priority of the Original Mortgage, as amended and restated herein, over other liens, charges, encumbrances or conveyances nor shall it release or change the liability of any party who may now or hereafter be liable, primarily or secondarily, under or on account of the Plaza II/III Notes.

3. The Original Mortgage is hereby amended, restated and modified to read, in its entirety, as follows:

WITNESSETH, that Mortgagors, in consideration of the indebtedness herein mentioned, do hereby grant, convey, mortgage and warrant unto Mortgagee forever, subject to the provision hereof entitled "PARTIAL RELEASES", with power of sale and right of entry and possession, the following property (herein referred to as the "Mortgaged Property"):

A. The land in the City of Jersey City, County of Hudson, State of New Jersey, described in Schedule "A-1" through "A-4" attached hereto and incorporated herein (the "Land") and all appurtenances thereto; and

B. All buildings and improvements now existing or hereafter erected thereon, all waters and water rights, all engines, boilers, elevators and machinery, all heating apparatus, electrical equipment, air-conditioning equipment, water and gas fixtures, and all other fixtures of every description belonging to Mortgagors which are or may be placed or used upon the Land or attached to the buildings or improvements, all of which, to the extent permitted by applicable law, shall be deemed an accession to the freehold and a part of the realty as between the parties hereto.

Except as otherwise set forth in this Mortgage, Mortgagors agree not to sell, transfer, assign or remove anything described in paragraph B above now or hereafter located on the Land without prior written consent from Mortgagee unless (i) such action does not constitute a sale or removal of any buildings or improvements or the sale or transfer of waters or water rights, and (ii) such action results in the substitution or replacement with

similar items of equal or greater value.

Without limiting the foregoing grants, Mortgagors hereby pledge to Mortgagee, and grant to Mortgagee a security interest in, all of Mortgagors' present and hereafter acquired right, title and interest in and to any and all

C. Cash and other funds now or at any time hereafter deposited by or for Mortgagors on account of tax, special assessment, replacement or other reserves required to be maintained pursuant to the Loan Documents (as hereinafter defined) with Mortgagee or a third party, or otherwise deposited with, or in the possession of, Mortgagee pursuant to the Loan Documents; and

D. All surveys, soils reports, environmental reports, architect's contracts, construction contracts, drawings and specifications, applications, permits, surety bonds and other contracts relating to the acquisition, design, development, construction and operation of the Mortgaged Property; and

E. Except as otherwise set forth in this Mortgage, all present and future rights to condemnation awards, insurance proceeds or other proceeds at any time payable to or received by Mortgagors on account of the Mortgaged Property or any of the foregoing personal property; and

F. All of Mortgagors' right, title and interest in and to that certain Reciprocal Operation and Easement Agreement dated as of December 4, 1995 and recorded December 7, 1995 in Deed Book 4936, Page 001 ET SEQ. in the Office of the Hudson County Register, as amended by that certain First Amendment to Reciprocal Operation and Easement Agreement dated as of October 7, 1996 and recorded October 18, 1996 in Deed Book 5055, Page 164 ET SEQ. in the Office of the Hudson County Register, as further amended by that certain Second Amendment to the Reciprocal Operation and Easement Agreement for The Harborside Financial Center dated as of July 18, 2000 and recorded January 10, 2001 in Deed Book 5739, Page 284 ET SEQ. in the Office of the Hudson County Register (collectively, the "ROEA"); and

G. All of Mortgagors' right, title and interest in and to that certain Declaration of Parking Easement dated as of December 20, 1999 and recorded January 28, 2000 in Deed Book 5562, Page 142 ET SEQ. in the Office of the Hudson County Register, as amended concurrently herewith (together, the "Parking Easement"); and

H. All of Mortgagors' right, title and interest as lessor in and to all leases of the Mortgaged Property, or any part thereof, heretofore or hereafter made and entered into by Mortgagors during the life of this Mortgage or any

extension or renewal thereof and all rents, issues, proceeds and profits accruing and to accrue from the Mortgaged Property (which are pledged primarily and on a parity with the real estate and not secondarily); and

I. The right, in case of foreclosure hereunder of the Mortgaged Property, for Mortgagee to take and use the name by which the buildings and all other improvements situated on the Mortgaged Property are commonly known and the right to manage and operate the said buildings under any such name and variants thereof.

All personal property hereinabove described is hereinafter referred to as the "Personal Property".

If any of the Mortgaged Property is of a nature that a security interest therein can be perfected under the Uniform Commercial Code, this instrument shall constitute a security agreement and financing statement if permitted by applicable law and Mortgagors agree to join with Mortgagee in the execution of any financing statements and to execute any other instruments that may be required for the perfection or renewal of such security interest under the Uniform Commercial Code.

TO HAVE AND TO HOLD the same unto Mortgagee for the purpose of securing:

(a) Payment to the order of Mortgagee of the indebtedness evidenced by two (2) promissory notes dated as of December 4, 1995 (and any restatements, extensions or renewals thereof and any amendments thereto) executed by Plaza One Exchange Place Limited Partnership, a New Jersey limited partnership, Harborside Exchange Place Limited Partnership, a New Jersey limited partnership, Harborside Urban Renewal Associates L.P., a New Jersey limited partnership, Plaza II and III Urban Renewal Associates L.P., a New Jersey limited partnership, Plaza IV Urban Renewal Associates L.P., a New Jersey limited partnership, Plaza V Urban Renewal Associates L.P., a New Jersey limited partnership and Plaza VI Urban Renewal Associates L.P., a New Jersey limited partnership for the aggregate principal sum of ONE HUNDRED TEN MILLION DOLLARS ($110,000,000.00), with final maturity no later than January 1, 2006 (the "Maturity Date") and with interest as therein expressed (such promissory notes, as such instruments may be amended, restated, renewed and extended, and the indebtedness evidenced thereby, are hereinafter referred to respectively as the "1995 Notes"), which 1995 Notes were assumed by Mortgagors pursuant to the Assignment; and

(b) Payment to the order of Mortgagee of the indebtedness evidenced by two (2) promissory notes of even date herewith (and any restatements, extensions or renewals thereof and any amendments thereto) executed by Mortgagors for the aggregate principal sum of SEVENTY MILLION DOLLARS ($70,000,000.00), with final maturity no later than the Maturity Date and with interest as therein expressed (such promissory notes, as such instruments may be amended, restated, renewed and extended, and the indebtedness evidenced thereby, are hereinafter referred to respectively as the "2001 Notes"); and

(c) Payment of all sums that may become due Mortgagee under the provisions of, and the performance of each agreement of Mortgagors contained in, the Loan Documents.

The 1995 Notes and the 2001 Notes are sometimes hereinafter referred to as the "Notes". As used herein, "Loan Documents" means this instrument, the Notes, that certain Amended and Restated Absolute Assignment of Leases and Rents of even date herewith between Mortgagors and Mortgagee (the "Absolute Assignment"), that certain Certification of Borrower of even date herewith and any other agreement specifically entered into by and between Mortgagors and Mortgagee in connection with the indebtedness evidenced by the Notes, except for any separate certain environmental indemnity agreement, as any of the foregoing may be amended from time to time.

As used in this Mortgage, the following capitalized terms shall have the respective meanings:

"Affiliate" shall mean, with respect to any individual, group of individuals, corporation, partnership, trust, limited liability company or other entity (each, a "Person"), any corporation, partnership, trust, limited liability company or other entity in which such Person owns, directly or indirectly, more than thirty-three percent (33%) of the partnership interests, stock or other ownership or beneficial interests, and any individual, group of individuals, corporation, partnership, trust, limited liability company or other entity which, directly or indirectly, controls, is controlled by, or is under common control with, such Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" or "under common control with") means the possession by any individual or entity, directly or indirectly, of the power to direct or cause the direction of management and policies of such Person or entity, whether through the ownership of voting securities, by contract or otherwise;

"AICPA Lease" shall mean that certain lease between Harborside Exchange Place Limited Partnership, a New Jersey limited partnership ("HEP"), as original lessor, and American Institute of Certified Public Accountants, a District of Columbia corporation, as lessee, dated May 15, 1991, as amended by First Amendment of Lease dated February 2, 1994, and pursuant to that certain Assignment and Assumption of Leases and Security Deposits dated as of November 4, 1996 (the "Lease Assignment") HEP assigned all of its right, title and interest in and to the AICPA Lease to Cal-Harbor II & III Urban Renewal Associates L.P. ("Cal-Harbor II & III");

"Annual Rent" for each tenant lease shall mean, for the applicable period, the greater of (i) the annual base rent payable by the tenant under its lease at the time of the applicable calculation, or (ii) the "Deemed Effective Rent"; PROVIDED, HOWEVER, that for the purposes of satisfying the requirements set forth in the provision hereof entitled "INSURANCE", the Annual Rent for leases which are executed after the occurrence of the applicable Triggering Event shall be the lower of (y) the initial annual base rent payable

under the lease after the expiration of any free rent period, or (z) the Deemed Effective Rent (as hereinafter defined), as adjusted pursuant hereto. For purposes of this definition, the term "Deemed Effective Rent" shall mean an amount equal to the quotient obtained by dividing (a) the sum of the total base rent payable by the tenant over the primary term of its lease, by (b) the number of years in the primary term of the lease, inclusive of any free rent period. In calculating the Deemed Effective Rent, there shall be deducted the following with respect to the applicable lease: the annual amortized cost(s) (amortized over the primary term of the lease at an imputed interest rate of ten percent [10%] per annum) of any tenant finish expenditure payable (or reimbursable) by the Mortgagors in excess of Market Rate T.I. (as hereinafter defined), rental obligations assumed by the Mortgagors on other leases by the tenant, and moving expenses of the tenant which are reimbursable by the Mortgagors. As used herein, the term "Market Rate T.I." shall mean the amount of tenant finish expenditures payable (or reimbursable) by landlords in fair market leases at the time of the execution of the applicable lease;

"Applicable Leases" shall mean leases to tenants approved by Mortgagee not in default and with terms of at least three (3) years remaining after the date of a Triggering Event. Leases in existence as of the date hereof shall be deemed approved for all other provisions of this Mortgage. Leases which are on the standard form reviewed by Mortgagee and are at market rates at the time entered into shall be deemed approved for purposes of this definition;

"Bank of Tokyo Lease" shall mean that certain lease between HEP, as original lessor, and BTM Information Services, Inc. (formerly known as BOT Information Services, Inc.), a New Jersey corporation, as lessee, dated December 30, 1988, as amended by First Amendment to Agreement of Lease dated July 21, 1995, and, pursuant to the Lease Assignment, HEP assigned all of its right, title and interest in and to the Bank of Tokyo Lease to Cal-Harbor II & III;

"Common Area Land" shall mean both the fee and leasehold interest in a 3.38-acre (147,062 square feet) parcel of land located in Jersey City, Hudson County, New Jersey being known as Lot 4 in Block 10 as shown on the City of Jersey City Tax Assessment Map owned by Cali Harborside (Fee) Associates L.P., a New Jersey limited partnership ("Cali Harborside") and leased to Cal-Harbor II & III, and as more fully described in Schedule "A-1" attached hereto and incorporated herein;

"Dean Witter Lease" shall mean that certain lease between HEP and Plaza II and III Urban Renewal Associates L.P., as original lessor, and Dean Witter Trust Company, a New Jersey corporation, as lessee, dated March 19, 1992, as amended by Amendment of Lease dated December 15, 1992, Second Amendment to Lease dated June 5, 1995 and Third Lease Amendment dated January 18, 2000 and, pursuant to the Lease Assignment, original lessor assigned all of its right, title and interest in and to the Dean Witter Lease to Cal-Harbor II & III;

"DLJ Lease" shall mean that certain lease between Cal-Harbor II & III, as lessor,

and Donaldson, Lufkin & Jenrette Securities Corporation and CSFB Direct, Inc. (formerly known as DLJdirect Holdings Inc.), each a Delaware corporation, as lessee, dated April 12, 1999, as amended by Possession Letter dated May 20, 1999, First Amendment to Lease dated September 30, 1999, Second Lease Amendment dated September 30, 1999, Third Lease Amendment dated December 15, 1999, Fourth Lease Amendment dated March 29, 2000 and Fifth Lease Amendment dated April 24, 2001;

"Dow Jones Lease" shall mean that certain lease between Cal Harbor II & III, as lessor, and Dow Jones & Company, Inc., a Delaware corporation, as lessee, dated December 21, 1999, as amended by Commencement Letter dated August 15, 2000;

"Harborside Financial Center" shall mean the Mortgaged Property, the North Pier Land, the South Pier Land and the piers which are adjacent to the Mortgaged Property and which are owned by Cali Harborside;

"Immediate Default" shall mean any of the following events shall have occurred:

(A) any Mortgagor or any general partner of any Mortgagor shall be dissolved (except if such dissolution shall occur in connection with a sale or release of a Section of the Property pursuant to the provision hereof entitled "PARTIAL RELEASES"), or a decree or order for relief shall be entered by a court having jurisdiction in respect of any Mortgagor or any general partner of any Mortgagor in a voluntary or involuntary case under the Federal Bankruptcy Code as now or hereinafter constituted, or any Mortgagor or any general partner of any Mortgagor shall file a voluntary petition in bankruptcy or for reorganization or an arrangement or any composition, readjustment, liquidation, dissolution or similar relief pursuant to any similar present or future state or federal bankruptcy law, or shall be adjudicated a bankrupt or become insolvent, or shall commit any act of bankruptcy, as defined in such law, or shall take any action in furtherance of any of the foregoing; or

(B) a petition or answer shall be filed proposing the adjudication of any Mortgagor or any general partner of any Mortgagor as a bankrupt or its reorganization or arrangement, or any composition, readjustment, liquidation, dissolution or similar relief pursuant to any present or future state or federal bankruptcy law or similar law, and any Mortgagor or any general partner of any Mortgagor shall consent to the filing thereof, or such petition or answer shall not be discharged within sixty (60) days after the filing thereof; or

(C) by the order of a court of competent jurisdiction, a receiver, trustee or liquidator of any Section of the Property or of any Mortgagor or any general partner of any Mortgagor or of substantially all of its assets shall be appointed and shall not be discharged or dismissed within sixty (60) days after such appointment, or if any Mortgagor or any general partner of any Mortgagor shall consent or acquiesce in such appointment; or

(D) any representation or warranty made by any Mortgagor in the Loan Documents shall prove to be willfully untrue or inaccurate in any material respect;

"Lewco Securities Lease" shall mean that certain lease between HEP and Plaza II and III Urban Renewal Associates L.P., as original lessor, and Lewco Securities Corp., a Delaware corporation, as lessee, dated May 31, 1994, as amended by First Amendment to Lease dated December 6, 1996, Second Amendment to Lease dated January 15, 1998 and Third Amendment to Lease dated February 2, 1999 and, pursuant to that certain Lease Assignment, original lessor assigned all of its right, title and interest in and to the Lewco Securities Lease to Cal-Harbor II & III;

"Major Leases" shall mean, collectively, the AICPA Lease, the Bank of Tokyo Lease, the Dean Witter Lease, the DLJ Lease, the Dow Jones Lease and the Lewco Securities Lease;

"Master Plan" shall mean the development plan for Harborside Financial Center approved by resolution of the Planning Board of the City of Jersey City on December 1, 1987, as part of the total site plan of the State of New Jersey Waterfront Development Project;

"Most Recently Auctioned United States Treasury Obligations" shall mean the U.S. Treasury bonds, notes and bills with maturities of 30 years, 10 years, 5 years, 3 years, 2 years and 1 year which, as of the date the prepayment fee is calculated, were most recently auctioned by the United States Treasury;

"North Pier Land" shall mean both the fee and leasehold interest in an approximate 2.724-acre parcel of land located in Jersey City, Hudson County, New Jersey owned by Cali Harborside and leased to Cal-Harbor No. Pier Urban Renewal Associates L.P., a New Jersey limited partnership;

"Operating Expenses" shall mean, for a fiscal period, all expenses paid or to be paid during such period in connection with the operation and maintenance of Plaza II/III, determined on an accrual basis, in accordance with generally accepted accounting principles including, without limitation (i) all payments required to be made pursuant to management agreements, (ii) real estate taxes, assessments and special assessments, (iii) costs and expenses related to utilities, security, administration and maintenance of Plaza II/III, and (iv) the PRO RATA share of Plaza II/III of General Common Area Costs (as defined in, and calculated pursuant to, the ROEA). Notwithstanding the foregoing, Operating Expenses shall not include (1) depreciation or amortization, (2) any expenses which, in accordance with generally accepted accounting principles, should be capitalized, (3) the principal of and interest on the Notes, (4) corporate administrative expenses of any Mortgagor, which expenses do not directly involve the operation or maintenance of Plaza II/III, including, without limitation, legal and accounting expenses, and the costs of appraisals, (5) costs and expenses related to tenant improvements or leasing commissions required to be paid or reimbursed under any leases, and (6) any item

of expense which would otherwise be considered within Operating Expenses pursuant to the provisions above but is paid directly by any tenant (expenses paid by Mortgagors and reimbursed to Mortgagors by any tenant shall also be excluded from Operating Expenses);

"Partial Prepayment Fee" shall mean an amount equal to the product of (i) a fraction, the numerator of which is any amount of principal being prepaid on the Note and the denominator of which is the principal balance of the Note immediately prior to such prepayment, and (ii) the prepayment privilege fee which would be payable if there were a full prepayment of the Note at such time;

"Permitted Encumbrances" shall mean:

(i) liens for taxes not yet due or which are being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves are being maintained in accordance with generally accepted accounting principles;

(ii) statutory liens of carriers, warehousemen, mechanics, materialmen and other liens imposed by law created in the ordinary course of business for amounts not yet due or which are being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate bonds have been posted;

(iii) liens incurred or deposits made in the ordinary course of

business in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the repayment of borrowed money);

(iv) deposits made in the ordinary course of business to secure liability to insurance carriers;

(v) liens arising from filing UCC-1 financing statements regarding leases of Personal Property by Mortgagors in the ordinary course of business;

(vi) those title exceptions set forth in Schedule "B" of that certain commitment for title insurance issued by First American Title Insurance Company (commitment no. TS-14641) by its agent, Title Services of New Jersey, Inc. dated February 28, 2001 and re-dated to the date hereof, those matters depicted on the ALTA/ACSM Land Title Survey of Harborside Financial Center prepared by John Zanetakos Associates, Inc. (Arthur E. Hanson, Jr., P.E. & L.S.) dated April 16, 2001, revised through April 24, 2001 and

zoning and similar restrictions;

(vii) liens and judgments which have been or will be bonded or released of record within forty-five (45) days after the Mortgagors have received noticed of the filing of such lien or judgment;

(viii) liens in favor of the Mortgagee under this Mortgage and the other Loan Documents and the liens of the Subordinate Mortgages (as hereinafter defined);

(ix) all existing leases affecting the Mortgaged Property and all future leases affecting the Mortgaged Property that do not violate the provisions of this Mortgage or the Absolute Assignment; and

(x) those other title matters and exceptions approved in advance by Mortgagee;

"Permitted Uses" means that the Plaza IV Land, the Plaza V Land, the Plaza VI/VII Land, the North Pier Land and the South Pier Land may be solely developed for the following uses; PROVIDED, HOWEVER, that any such development is consistent with the general bulk and massing guidelines described in the Master Plan and in accordance with regulatory and governmental requirements, as modified from time to time:

(i) the North Pier Land and the South Pier Land may be developed solely for retail, office, marina/sailing, residential, parks and promenades, hotel use, associated parking and any other uses approved under the Master Plan; and

(ii) the Plaza IV Land and the Plaza VI/VII Land may be developed solely for retail, office, surface parking, residential and parking garages and any other uses approved under the Master Plan;

"Plaza II/III" shall mean the Plaza II/III Land, the Plaza II/III Improvements and all easements and other appurtenances thereto;

"Plaza II/III Improvements" shall mean a 1,403,484 square foot office building plus 37,020 square feet of retail promenade, landscaping, paved walkways and driveways;

"Plaza II/III Land" shall mean both the fee and leasehold interest in a 6.04-acre (263,262 square feet) parcel of land located at 34 Exchange Place, Jersey City, Hudson County, New Jersey owned by Cali Harborside and leased to Cal-Harbor II & III, being known as Lot 6 in Block 10 on the City of Jersey City Tax Assessment Map, and more fully described in Schedule "A-2" attached hereto and incorporated herein;

"Plaza IV Land" shall mean both the fee and leasehold interest in a 1.34 acre

(58,305 square feet) parcel of land located in Jersey City, Hudson County, New Jersey owned by Cali Harborside and leased to Cal-Harbor IV Urban Renewal Associates L.P., being known as Lot 1 in Block 10 on the City of Jersey City Tax Assessment Map, and more fully described in Schedule "A-3" attached hereto and incorporated herein;

"Plaza VI/VII Land" shall mean both the fee and leasehold interest in a 3.30-acre (143,891 square feet) parcel of land located in Jersey City, Hudson County, New Jersey owned by Cali Harborside and leased to Cal-Harbor VI Urban Renewal Associates L.P., being known as Lot 16 in Block 10 on the City of Jersey City Tax Assessment Map, and more fully described in Schedule "A-4" attached hereto and incorporated herein;

"Projected Plaza II/III Operating Income Available for Debt Service from Applicable Leases" shall mean (i) projected gross annual revenue (excluding parking revenue) in accordance with generally accepted accounting principles subject to adjustment for Annual Rent (including projected operating expense reimbursements from tenants assuming the eight percent [8.0%] increase in Operating Expenses set forth in subparagraph (ii) hereof) from Applicable Leases from the leasing of not more than 1,300,000 square feet of space in Plaza II/III for the first full fiscal year following a Triggering Event, less (ii) 1.08 multiplied by the Operating Expenses attributable to Plaza II/III for the last fiscal year preceding a Triggering Event, less (iii) any increase in the real estate or in-lieu taxes on Plaza II/III over the real estate or in-lieu taxes on Plaza II/III for the year preceding a Triggering Event, to the extent such increase in taxes is not payable directly by the tenants of Plaza II/III. The Projected Plaza II/III Operating Income Available for Debt Service from Applicable Leases shall be calculated in a manner reasonably acceptable to Mortgagee consistent with the foregoing definition. The Projected Plaza II/III Operating Income Available for Debt Service from Applicable Leases may be calculated in such other manner as the Mortgagee and Mortgagors may mutually agree;

"Projected Plaza II/III Debt Service Coverage from Applicable Leases" shall mean a number calculated by dividing Projected Plaza II/III Operating Income Available for Debt Service from Applicable Leases for the first full fiscal year following a Triggering Event by the debt service under the Notes during the first full fiscal year following such Triggering Event;

"Property" shall mean the Mortgaged Property, which is, collectively, Plaza II/III, the Common Area Land, the Plaza IV Land and the Plaza VI/VII Land (each of Plaza II/III, the Common Area Land, the Plaza IV Land and the Plaza VI/VII Land may hereinafter be referred to as a "Section of the Property");

"South Pier Land" shall mean both the fee and leasehold interest in an approximate 1.7079-acre parcel of land located in Jersey City, Hudson County, New Jersey owned by Cali Harborside and leased to Cal-Harbor So. Pier Urban Renewal Associates L.P., a New Jersey limited partnership;

"Triggering Event" shall mean, the completion of the restoration of all or any portion of the Mortgaged Property following a casualty.

TO PROTECT THE SECURITY OF THIS MORTGAGE, Mortgagors COVENANT AND AGREE:

PAYMENT OF DEBT. Mortgagors agree to pay the indebtedness hereby secured (the "Indebtedness") promptly and in full compliance with the terms of the Loan Documents.

OWNERSHIP. Mortgagors represent that they own, either in fee interest or in leasehold interest, as the case may be, the Mortgaged Property and have good and lawful right to convey the same and that the Mortgaged Property is free and clear from any and all encumbrances whatsoever, except for Permitted Encumbrances.

MAINTENANCE OF PROPERTY AND COMPLIANCE WITH LAWS. Mortgagors agree to keep the buildings and other improvements now or hereafter erected on the Land in good condition and repair; not to commit or suffer any waste; to comply with all laws, rules and regulations affecting the Mortgaged Property; and to permit Mortgagee, subject to the rights of tenants, to enter at all reasonable times and upon reasonable notice (except in the case of an emergency) for the purpose of inspection and of conducting, in a reasonable and proper manner, such tests as Mortgagee determines to be reasonably necessary in order to monitor Mortgagors' compliance with applicable laws and regulations regarding hazardous materials affecting the Mortgaged Property. Notwithstanding the foregoing, Mortgagors shall have the right to contest in good faith by appropriate proceedings the applicability of any such laws, rules and regulations affecting the Mortgaged Property. During any such contest, Mortgagors shall not be deemed in default hereunder.

INSURANCE. Mortgagors shall at all times keep in force: (i) property insurance

insuring all buildings and improvements which are now or hereafter become a part of the Mortgaged Property for perils covered by an all-risk insurance policy containing both replacement cost and agreed amount endorsements or options for the estimated replacement cost of the improvements with a deductible of not greater than Twenty-five Thousand Dollars ($25,000.00); (ii) commercial general liability insurance naming Mortgagee as additional insured protecting Mortgagors and Mortgagee against liability for bodily injury or property damage occurring in, on or adjacent to the Mortgaged Property in commercially reasonable amounts, with a combined single limit of not less than One Million Dollars ($1,000,000.00) per occurrence and excess umbrella liability insurance of not less than Fifty Million Dollars ($50,000,000.00); (iii) boiler and machinery insurance if the Mortgaged Property has a boiler and/or machinery; (iv) rental value insurance for the perils specified herein for one hundred percent (100%) of the rents (including operating expenses, real estate taxes, assessments and insurance costs which are lessee's liability) for a period of twelve (12) months or business interruption insurance for one hundred percent (100%) of the annual gross earnings from business derived at the Mortgaged Property; and (v) insurance against all other hazards as may be reasonably required by

Mortgagee including, without limitation, insurance against loss or damage by flood and earthquake. All insurance shall be in form, content and amounts approved by Mortgagee and written by an insurance company or companies rated "A", class size "VIII" or better in the most current issue of Best's Insurance Reports and which is licensed to do business in the state in which the Mortgaged Property is located and domiciled in the United States or a governmental agency or instrumentality approved by Mortgagee. The policies for such insurance shall have attached thereto standard mortgagee clauses in favor of and permitting Mortgagee to collect any and all proceeds payable thereunder and shall include a thirty (30) day (except for nonpayment of premium, in which case a ten [10] day) notice of cancellation clause in favor of Mortgagee. All policies or certificates of insurance shall be delivered to and held by Mortgagee as further security for payment of the Notes and any other obligations arising under the Loan Documents, with evidence of renewal coverage delivered to Mortgagee at least thirty (30) days before the expiration date of any policy. Mortgagors shall not carry separate insurance, concurrent in kind or form and contributing in the event of loss, with any insurance required herein if the effect of such insurance will be to reduce the amount of insurance required to be carried by Mortgagors hereunder. Mortgagors agree to keep the policies therefor, properly endorsed, on deposit with Mortgagee; that insurance loss proceeds (less expenses of collection) shall, at Mortgagee's option, be applied on the Indebtedness, whether due or not, or to the restoration of the Mortgaged Property, but such application shall not cure or waive any default under any of the Loan Documents. If Mortgagee elects to apply the insurance loss proceeds on the Indebtedness, no prepayment privilege fee shall be due thereon if, at the time of such prepayment, there exists no Event of Default.

Notwithstanding the foregoing provision, Mortgagee agrees that if the insurance loss proceeds are less than the unpaid principal balance of the Notes, and if the casualty occurs prior to the last two (2) years of the term of the Notes, then the insurance loss proceeds (less expenses of collection) shall be applied to restoration of the Mortgaged Property to its condition prior to the casualty, subject to satisfaction of the following conditions:

(a) At the time of casualty, there shall exist no (i) Non-Monetary Default (as hereinafter defined) under the Loan Documents with respect to which Mortgagee shall have given Mortgagors notice pursuant to the NOTICE OF DEFAULT provision herein, or (ii) Monetary Default (as hereinafter defined), or (iii) Event of Default (as hereinafter defined) and the continuance thereof, and if there shall occur any Event of Default and the continuance thereof after the date of the casualty, Mortgagee shall have no further obligation to release insurance loss proceeds hereunder.

(b) The casualty insurer has not denied liability for payment of insurance loss proceeds as a result of any act, neglect, use or occupancy of the Mortgaged Property by any Mortgagor or any tenant of the Mortgaged Property.

(c) Mortgagee shall be satisfied that all insurance loss proceeds so held,

together with supplemental funds received from Mortgagors (which will not be used until all insurance proceeds have been exhausted), shall be sufficient to complete the restoration of the Mortgaged Property. Any remaining insurance loss proceeds after the completion of the restoration of the Mortgaged

Property may, at the option of Mortgagee, be applied on the Indebtedness, whether or not due, or be released to Mortgagors.

(d) If required by Mortgagee, Mortgagee shall be furnished a satisfactory report addressed to Mortgagee from an environmental engineer or other qualified professional satisfactory to Mortgagee to the effect that no adverse environmental impact to the Mortgaged Property resulted from the casualty.

(e) Mortgagee shall release casualty insurance proceeds as restoration of the Mortgaged Property progresses provided that Mortgagee is furnished satisfactory evidence of the costs of restoration and if, at the time of such release, there shall exist no default under the Loan Documents with respect to which Mortgagee shall have given Mortgagors notice pursuant to the NOTICE OF DEFAULT provision herein. If the estimated cost of restoration exceeds $250,000.00, (i) the drawings and specifications for the restoration shall be approved by Mortgagee in writing prior to commencement of the restoration, (ii) Mortgagors shall provide suitable completion and performance bonds naming Mortgagee as additional obligee and builder's all-risk insurance, and (iii) each Mortgagee shall receive an administration fee equal to the lesser of one-half of one percent (0.5%) of the cost of restoration or One Hundred Thousand Dollars ($100,000.00), prior to any release of any proceeds.

(f) Prior to each release of funds, Mortgagors shall obtain for the benefit of Mortgagee a continuation title search and written report stating that there are no liens arising from the restoration.

(g) Mortgagors shall pay all out-of-pocket costs and expenses incurred by Mortgagee including, but not limited to, outside legal fees, title insurance costs, third-party disbursement fees, third-party engineering reports and inspections deemed necessary by Mortgagee.

(h) All reciprocal easement and operating agreements benefiting any Section of the Property shall remain in full force and effect between the parties thereto on and after restoration of the Mortgaged Property.

(i) Mortgagee shall be satisfied that if Plaza II/III is the damaged Section of the Property, the Projected Plaza II/III Debt Service Coverage from Applicable Leases shall be greater than or equal to 1.15; or

(j) All Major Leases and all leases in effect at the time of the casualty with tenants who have entered into Mortgagee's form of Acknowledgment, Subordination, Non-Disturbance and Attornment Agreement or similar agreement shall remain in full force and each tenant thereunder shall be obligated, or shall elect, to continue the lease term at full rental (subject only to abatement, if any, during any period in which the Mortgaged Property or portion thereof shall not be used and occupied by such tenant as a result of the casualty) and shall execute an estoppel certificate confirming that its lease is in full force and effect and that no defaults have occurred and are continuing thereunder.

(k) All payments under the Indebtedness shall be full recourse obligations of Mortgagors commencing on the date of the casualty and continuing until such time as the restoration is completed in accordance with the provisions hereof.

(1) Mortgagors shall satisfy such other conditions to the release of proceeds in Mortgagee's discretion as would be customarily required by a lender on projects such as the Mortgaged Property in the New York metropolitan area.

In the event that the Projected Plaza II/III Debt Service Coverage from Applicable Leases does not meet the required ratio in connection with the release of insurance loss proceeds pursuant to subparagraph (i) above, Mortgagors shall have the right to make a partial prepayment of the Notes, to the extent necessary in order to meet the debt service coverage required under subparagraph (i) above, together with the Partial Prepayment Fee. In the event of such partial prepayment of principal, the amount of the debt service payments due on each of the Notes being prepaid shall be adjusted to an amount which is

sufficient to amortize the then unpaid principal balance of such of the Notes at the applicable interest rate during the then remaining amortization period.

CONDEMNATION. Except as otherwise set forth herein, Mortgagors hereby assign to Mortgagee (i) any award and any other proceeds resulting from damage to, or the taking of, all or any portion of the Mortgaged Property in connection with condemnation proceedings or the exercise of any power of eminent domain, and (ii) the proceeds from any sale or transfer in lieu thereof; and grant Mortgagee the right, at its option, to apply such award and other proceeds (less expenses of collection) on the Indebtedness (including any prepayment privilege fee), whether due or not, or to the restoration of the Mortgaged Property or to release all or any portion thereof to Mortgagors, but such application or release shall not cure or waive any default under any of the Loan Documents.

Notwithstanding the foregoing, except with respect to a Total Taking (as hereinafter defined), Mortgagee agrees that the condemnation award shall be applied to the

restoration and rebuilding of the Mortgaged Property. In such event, Mortgagors shall, whether or not the net condemnation award shall be sufficient for the purpose, at Mortgagors' sole cost and expense, promptly commence and complete, or cause to be commenced and completed, a restoration of the Mortgaged Property which restoration shall be performed in a good and workmanlike manner and in compliance with all requirements of law so that the Mortgaged Property will be substantially equal in general utility to its utility prior to such taking, subject to unavoidable delays and except to the extent made practically impossible by any reduction in area caused by such taking; PROVIDED, HOWEVER, that in case of a taking for temporary use, Mortgagors shall not be required to effect a restoration until such taking is terminated. As used herein, "Total Taking" shall mean a taking of all or substantially all of the Mortgaged Property and the Personal Property (other than for temporary use).

The proceeds of the condemnation award shall be paid out in the same manner as provided in this Mortgage for the payment of insurance proceeds in reimbursement of the costs of rebuilding and restoration; PROVIDED, HOWEVER, that for purposes of this sentence, subparagraph (b) of such section shall not apply and "insurance proceeds" or any similar term shall be deemed to mean "condemnation awards". Any proceeds remaining after payment of the costs of restoring and rebuilding shall, at the option of Mortgagee, either be applied on account of the Indebtedness secured hereby, PROVIDED, HOWEVER, that if no Event of Default has occurred and Mortgagee has not otherwise previously accelerated the whole or any part of the Indebtedness secured hereby, such reduction shall be without prepayment privilege fee, or be paid to Mortgagors.

TAXES AND SPECIAL ASSESSMENTS. Mortgagors agree to pay before delinquency all taxes and special assessments of any kind (excluding income, franchise, gift, estate or inheritance taxes) that have been or may be levied or assessed against the Mortgaged Property, this Mortgage, the Notes or the Indebtedness, or upon the interest of the Mortgagee in the Mortgaged Property, this Mortgage, the Notes or the Indebtedness, and to procure and deliver to Mortgagee the official receipt of the proper officer showing timely payment of all such taxes and assessments; PROVIDED, HOWEVER, that Mortgagors shall not be required to pay any such taxes or special assessments if the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings and with respect to which adequate reserves are being maintained in accordance with generally accepted accounting principles. During any such contest, Mortgagors shall not be deemed in default hereunder.

PERSONAL PROPERTY. With respect to the Personal Property, Mortgagors hereby represent, warrant and covenant as follows:

(a) Except for the security interest granted hereby, Mortgagors are, and as to portions of the Personal Property to be acquired after the date hereof will be, the sole owner of the Personal Property, free from any lien, security interest, encumbrance or adverse claim thereon of any kind whatsoever, except for Permitted Encumbrances.

Mortgagors shall notify Mortgagee of, and shall indemnify and defend Mortgagee and the Personal Property against, all claims and demands of all persons at any time claiming the Personal Property or any part thereof or any interest therein.

(b) Except as otherwise provided above, Mortgagors shall not lease to others, sell, convey or in any manner transfer the Personal Property, unless the removed item is removed temporarily for maintenance or repair or, if removed permanently, is replaced by an article of equal suitability and value, as reasonably determined by Mortgagee, owned by Mortgagors, free and clear of any lien or security interest, except for Permitted Encumbrances.

(c) Mortgagors maintain a place of business in care of the address set forth above in this Mortgage, and Mortgagors shall immediately notify Mortgagee in writing of any change in its place of business.

(d) At the request of Mortgagee, Mortgagors shall join Mortgagee in executing one or more financing statements and continuations and amendments thereof pursuant to the Uniform Commercial Code of the jurisdiction in which the Mortgaged Property is located in form satisfactory to Mortgagee, and Mortgagors shall pay the cost of filing the same in all public offices wherever filing is deemed by Mortgagee to be necessary or desirable.

OTHER LIENS. Mortgagors agree to keep the Mortgaged Property free from all other mortgage liens and from all liens prior to the lien created hereby, except for Permitted Encumbrances. Except as set forth below, the creation of any other mortgage lien, whether or not prior to the lien created hereby, the creation of any prior lien, judgment lien or mechanic's lien on the Mortgaged Property (other than Permitted Encumbrances) or the assignment or pledge by Mortgagors of their revocable license to collect, use and enjoy rents and profits from the Mortgaged Property, shall constitute a default under the terms of this Mortgage. The term "mortgage" includes a mortgage, deed of trust, deed to secure debt or any other security interest in the Mortgaged Property.

Notwithstanding the foregoing, upon written notice to Mortgagee, Mortgagors may proceed to contest in good faith and by appropriate proceedings any mechanics liens, tax liens or judgment liens after the initial advance of funds under the 2001 Notes with respect to the Mortgaged Property or the Personal Property, provided funds sufficient to satisfy the contested amount have been deposited in an escrow account satisfactory to Mortgagee.

CROSS-DEFAULT AND CROSS-LIEN. A default under one or both of the 1995 Notes shall constitute a default under the 2001 Notes, and a default under one or both of the 2001 Notes shall constitute a default under the 1995 Notes. Mortgagors have executed and delivered to Mortgagee statements executed by all of the partners of each Mortgagor (both limited and general) stating that they have authorized the pledge of such Mortgagor's property for the debt of the other Mortgagors, that there exists mutual consideration for such pledge and that they understand that a default by one or more of

the other Mortgagors will result in a default under the mortgage into which such Mortgagor is entering.

ENVIRONMENTAL. A. The Mortgagors have not used in the past, nor do the Mortgagors intend to use in the future, the Mortgaged Property for the principal or primary purpose of refining, producing, storing, handling, transferring, processing or transporting "hazardous substances", as such term is defined in N.J.S.A. 58:10-23.11b(k), in violation of applicable laws.

B. To the best of Mortgagors' knowledge, after due inquiry and investigation, no lien has been attached to any revenues or the Mortgaged Property as a result of the chief executive of the New Jersey Spill Compensation Fund expending monies from said fund to pay for "cleanup and removal costs", as such term is defined in N.J.S.A. 58:10-23.11b(d), arising from an intentional or unintentional action or omission of Mortgagors.

C. If there shall be constituted a lien against the Mortgaged Property, pursuant to and in accordance with the provisions of N.J.S.A. 58:10-23.11f(f) as a result of the chief executive of the New Jersey Spill Compensation Fund having expended monies from said fund to pay for "cleanup and removal costs" and/or "direct and indirect damages", as such terms are used in N.J.S.A. 58:10-23.11g, arising from an intentional or unintentional action or omission of the Mortgagors resulting in the releasing, spilling, pumping, pouring, emitting, emptying or dumping of "hazardous substances", as such term is defined in N.J.S.A. 58:10-23.11(b)k, into waters of the State of New Jersey or onto lands from which it might flow or drain into said waters, Mortgagors shall, within thirty (30) days from the date that Mortgagors are given notice that the lien has been placed against the Mortgaged Property or within such shorter period of time if the State of New Jersey shall have commenced steps to cause the Mortgaged Property to be sold pursuant to the lien, either: (i) pay the claim and remove the lien from the Mortgaged Property; or (ii) furnish (a) a bond satisfactory to Mortgagee and the issuer of Mortgagee's title policy with respect to the Mortgaged Property in the amount of the claim out of which the lien arises, (b) a cash deposit in the amount of the claim out of which the lien arises, or (c) other security reasonably satisfactory to Mortgagee in an amount sufficient to discharge the claim out of which the lien arises.

D. No Mortgagor has ever used the Mortgaged Property to generate, manufacture, refine, transport, treat, store, handle or dispose of "hazardous substances" or "hazardous wastes", as such terms are defined in N.J.S.A. 13:1K-8, except for DE MINIMUS quantities of janitorial and office supplies used in the ordinary course of business, and Mortgagors do not intend to use the

Mortgaged Property for such purposes.

E. In connection with the purchase of the Mortgaged Property, if acquired on or after January 1, 1984, Mortgagors obtained from the New Jersey Department of Environmental Protection either: (i) a letter of non-applicability; or (ii) if the Environmental Cleanup Responsibility Act applied, the approval of a negative declaration affidavit certifying that either no environmental remediation was required at the Mortgaged Property or a letter confirming that all required environmental remediation

was completed pursuant to the provisions of the New Jersey Industrial Site Recovery Act or its predecessor (the Environmental Cleanup Responsibility Act) (N.J.S.A. 13: 1K-ET SEQ.).

F. Mortgagors hereby grant to Mortgagee and its agents, attorneys, employees, consultants, contractors and assigns, an irrevocable license and authorization to enter upon and inspect the Mortgaged Property and all facilities located thereon at reasonable times on reasonable notice (except in the case of an emergency), and subject to the rights of tenants, and the right to conduct a Phase I environmental audit after the occurrence of an Event of Default or in the event of any sale or conveyance of this Mortgage.

G. In the event that there has been an Event of Default or an event which, with the passage of time or the giving of notice, or both, would constitute an Event of Default or Mortgagee has formed a reasonable belief, based on its inspection of the Mortgaged Property or other factors known to it, that "hazardous substances" may be present on the Mortgaged Property in violation of applicable law, then Mortgagors shall perform such tests at Mortgagee's request including, without limitation, subsurface testing, soil and ground water testing, and other tests which may physically invade the Mortgaged Property or facilities from a consultant and pursuant to a scope of work approved by Mortgagee (collectively, the "Tests"), as Mortgagee, in its sole discretion, determines as necessary to (i) investigate the condition of the Mortgaged Property, (ii) protect the security interests created under this Mortgage, or (iii) determine compliance with all laws relating to "hazardous substances", the provisions of this Mortgage and other matters relating thereto, and Mortgagors shall provide true and accurate written copies of the results of the Tests to Mortgagee upon receipt of the results. In the event that Mortgagors fail to conduct the Tests required by Mortgagee and to provide Mortgagee with the results within sixty (60) days of such request, or such additional time as Mortgagee shall agree in writing in its sole discretion, or if Mortgagee is not reasonably satisfied with the results of any of the Tests or of any Phase I environmental audit, then Mortgagors grant to Mortgagee and its agents, attorneys, employees, consultants, contractors and assigns, an irrevocable license and authorization to conduct the Tests necessary in Mortgagee's sole discretion to accomplish (i) through (iii) in this subparagraph, subject to the rights of tenants and at reasonable times and upon reasonable notice (except in the case of an emergency).

LEASES. Mortgagors represent and warrant that there is no assignment or pledge of any leases of, or rentals or income from, the Mortgaged Property in effect other than that certain Absolute Assignment of Leases and Rents dated December 4, 1995, by and among Mortgagors and Mortgagee, as amended and restated in its entirety by an Amended and Restated Absolute Assignment of Leases and Rents of even date herewith; and covenant that, until the Indebtedness is fully paid, they, except as otherwise permitted herein, (i) shall not make any such assignment or pledge to anyone other than Mortgagee, (ii) shall not, unless expressly permitted under another provision in this Mortgage, make any assignment or pledge to anyone of their hereinafter described revocable license to collect, use and enjoy the rents and profits, (iii) shall not consent to a cancellation or

accept the surrender of or agree to a release or reduction of the liability of any party to either (a) any Major Lease, or (b) any of said leases in excess of 50,000 rentable square feet and having at the time an unexpired term of more than two (2) years (including any unexercised renewal option(s)) (a "Primary Lease"), without the prior written approval of Mortgagee, unless said lease is in material monetary default, in which event Mortgagee's consent to a requested cancellation shall not be unreasonably withheld and shall be deemed to be given if it fails to respond to Mortgagor's request within ten (10) business days of receipt of such request, or (iv) shall not modify or alter either (a) any Major Lease, or (b) any Primary Lease without the consent of Mortgagee, which consent shall not be unreasonably withheld or delayed.

In consideration of the Indebtedness, Mortgagors, pursuant to the Absolute Assignment, have assigned to Mortgagee all of Mortgagors' right, title and interest in said leases, including Mortgagors' right to collect, use and enjoy

the rents and profits therefrom. Mortgagee has, in the Absolute Assignment, granted to Mortgagors a license to collect, use and enjoy said rents and profits. Such license is revocable by Mortgagee pursuant to the terms of the Absolute Assignment.

COSTS FEES AND EXPENSES. Mortgagors agree to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee hereunder; to pay all costs and expenses, including the cost of obtaining evidence of title and reasonable attorneys' fees, incurred in connection with any such action or proceeding; and to pay any and all actual and reasonable attorneys' fees and expenses of collection and enforcement in the event some or all of the Notes are placed in the hands of an attorney for collection, enforcement of any of the Loan Documents is undertaken or suit is brought thereon.

FAILURE OF MORTGAGORS TO ACT. If Mortgagors fail to make any payment or following reasonable delivery of notice following Mortgagor's failure to do any act as herein provided (except such notice shall not be required in the event of an emergency or if Mortgagor's failure to act materially adversely affects the security interest of the Mortgagee), Mortgagee may, without obligation so to do, without notice to or demand upon Mortgagors and without releasing Mortgagors from any obligation hereof: (i) make any payment or do any act as herein provided in such manner and to such extent as Mortgagee may deem necessary to protect the security hereof, Mortgagee being authorized to enter upon the Mortgaged Property for such purpose at all reasonable times, upon reasonable notice (except in the case of an emergency) and subject to the rights of tenants; (ii) appear in and defend any action or proceeding purporting to affect the security hereof, or the rights or powers of Mortgagee; (iii) subject to Permitted Encumbrances, pay, purchase, contest or compromise any encumbrance, charge or lien which, in the judgment of Mortgagee, appears to be prior or superior hereto; and (iv) in exercising any such powers, pay necessary expenses, employ counsel and pay its reasonable fees. Sums so expended shall be payable by Mortgagors immediately upon demand with interest from the date of expenditure at the Default Rate (as defined in the 1995 Notes or the 2001 Notes), provided Mortgagee has provided Mortgagors with notice

within ten (10) days of such expenditure (otherwise, interest shall accrue at the Default Rate from the date Mortgagors are notified of such expenditure). All sums so expended by Mortgagee and the interest thereon shall be included in the Indebtedness and secured by the lien of this Mortgage. In making any payment hereby authorized relating to taxes or assessments or for the purchase, discharge, compromise or settlement of any prior lien, Mortgagee may make such payment according to any bill, statement or estimate secured from the appropriate public office without inquiry into the accuracy thereof or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof or without inquiry as to the validity or amount of any claim for lien which may be asserted.

EVENT OF DEFAULT. Any Immediate Default shall automatically constitute an "Event of Default". Subject to the provision hereof entitled "NOTICE OF DEFAULT", any default by Mortgagors in making any required payment of the Indebtedness or any other default in any provision, covenant, agreement or warranty contained in any of the Loan Documents shall, except as provided in the two immediately succeeding paragraphs, constitute an "Event of Default". Further, any default beyond applicable grace and cure periods, if any, and which is not waived (such waiver to apply only to the Financial Agreements [hereinafter described]) (subject to extension as may be granted by the party which has notified Mortgagors of such default) under either (i) any of the Financial Agreements with the City of Jersey City described in Exhibit "A" attached hereto and incorporated herein, or (ii) any of the ground leases affecting the Mortgaged Property shall constitute an "Event of Default". Further, any violation of the Permitted Uses shall constitute an "Event of Default".

NOTICE OF DEFAULT. A default in any payment required in the 1995 Notes, the 2001 Notes or any other Loan Document (a "Monetary Default") shall not constitute an Event of Default unless Mortgagee shall have given a written notice of such Monetary Default to Mortgagors and Mortgagors shall not have cured such Monetary Default by payment of all amounts in default (including payment of interest at the Default Rate, as defined in the 1995 Notes or the 2001 Notes, from the date of default to the date of cure on amounts owed to Mortgagee) within five (5) business days after the date on which Mortgagee shall have given such notice to Mortgagors.

Any default other than a Monetary Default or an Immediate Default under the 1995 Notes the 2001 Notes or under any other Loan Document (a "Non-Monetary Default") shall not constitute an Event of Default unless Mortgagee shall have given a written notice of such Non-Monetary Default to Mortgagors and Mortgagors shall not have cured such Non-Monetary Default within thirty (30) days after the date on which Mortgagee shall have given such notice of default to Mortgagors (or, if the Non-Monetary Default is not curable within thirty (30) days, Mortgagors shall not have diligently undertaken and continued to pursue the curing of such

Non-Monetary Default and deposited an amount sufficient to cure such Non-Monetary Default in an escrow account satisfactory to Mortgagee).

For purposes of this provision, written notice may be delivered personally or sent by

certified mail or reputable courier service with charges prepaid. Notice shall be deemed given on the date received. Any notice which is rejected or refused by Mortgagors shall be deemed received as of the date of attempted delivery.

In no event shall the notice and cure period provisions recited above constitute a grace period for the purposes of commencing interest at the Default Rate (as defined in the 1995 Notes or the 2001 Notes).

APPOINTMENT OF RECEIVER. Upon commencement of any proceeding to enforce any right under this Mortgage, including foreclosure thereof, Mortgagee (without limitation or restriction by any present or future law, without regard to the solvency or insolvency at that time of any party liable for the payment of the Indebtedness, without regard to the then value of the Mortgaged Property, whether or not there exists a threat of imminent harm, waste or loss to the Mortgaged Property and or whether the same shall then be occupied by the owner of the equity of redemption as a homestead) shall have the absolute right to the appointment of a receiver of the Mortgaged Property and of the revenues, rents, profits and other income therefrom, and said receiver shall have (in addition to such other powers as the court making such appointment may confer) full power to collect all such income and, after paying all necessary expenses of such receivership and of operation, maintenance and repair of said Mortgaged Property, to apply the balance to the payment of any of the Indebtedness then due.

ASSIGNMENT OF LEASES. A. Mortgagors hereby assign to Mortgagee, directly and absolutely, and not merely collaterally, the rents, issues, profits, royalties and payments payable under any lease of the Mortgaged Property, or portion thereof, including any oil, gas or mineral lease, subject only to a license granted by Mortgagee to Mortgagors with respect thereto to collect, receive and retain all such rents, issues, profits, royalties and payments payable under any lease of the Mortgaged Property prior to the occurrence of an Event of Default hereunder and the continuance thereof. Upon the occurrence of any Event of Default, the license granted in the immediately preceding sentence shall cease and terminate, with or without any additional notice, action or proceeding or the intervention of a receiver appointed by a court. Mortgagee, without regard to the adequacy of any security for the Indebtedness hereby secured, shall be entitled to (a) collect such rents, issues, profits, royalties and payments and apply the same as more particularly set forth in this paragraph, all without taking possession of the Mortgaged Property, or (b) enter and take possession of the Mortgaged Property, or any part thereof, in person, by agent, or by a receiver to be appointed by the court and to sue for or otherwise collect such rents, issues, profits, royalties and payments. Mortgagee may apply any such rents, issues, profits, royalties and payments so collected, less costs and expenses of operation and collection, including reasonable attorneys' fees and costs and reasonable attorneys' fees and costs on appeal, upon any principal, interest and all other indebtedness secured hereby, at Mortgagee's option and in such order as Mortgagee may determine and, if such costs and expenses and reasonable attorneys' fees and costs shall exceed the amount collected, the excess shall be immediately due and payable. The collection of such rents, issues, profits, royalties and payments and the application thereof

as aforesaid shall not cure or waive any Event of Default or notice of default hereunder or invalidate any act done pursuant to such notice, except to the extent any such Event of Default is fully cured. Failure or discontinuance of Mortgagee at any time, or from time to time, to collect any such moneys shall not impair in any manner the subsequent enforcement by Mortgagee of the right, power and authority herein conferred on Mortgagee. Nothing contained herein, including the exercise of any right, power or authority herein granted to Mortgagee, shall be, or be construed to be, an affirmation by Mortgagee of any tenancy, lease or option, or an assumption of liability under, or the subordination of the lien or charge or this Mortgage to any such tenancy, lease or option. Mortgagors hereby agree that, in the event Mortgagee exercises its rights as in this paragraph provided, Mortgagors waive any right to compensation for the use of Mortgagors' furniture, furnishings or equipment in the Mortgaged Property for the period such assignment of rents or receivership is in effect, it being understood that the rents, issues, profits, royalties and payments derived from the use of any such items shall be applied to Mortgagors' obligations hereunder as above provided.

B. Mortgagors have executed and delivered to Mortgagee the Absolute Assignment assigning to Mortgagee, directly and absolutely, and not merely

collaterally, the interest of Mortgagors as lessor under the existing leases of the Mortgaged Property, as well as all other leases which may hereafter be made in respect of the Mortgaged Property, and the rents and other income arising thereunder and from the use of the Mortgaged Property. The Absolute Assignment grants to Mortgagee specific rights and remedies in respect of said leases and governs the collection of rents and other income thereunder and from the use of the Mortgaged Property, and such rights and remedies so granted shall be cumulative of those granted herein. Mortgagee acknowledges that the Absolute Assignment grants Mortgagors a license to collect the rents, issues, profits, royalties and payments payable under any lease of the Mortgaged Property, which license is revocable only upon the occurrence of an Event of Default.

C. Mortgagors shall keep and perform all terms, conditions and covenants required to be performed by them as lessors under the aforesaid leases; shall promptly advise Mortgagee in writing of any claim of default by Mortgagors made by a lessee under any Major Lease or of any default thereunder by a lessee; and shall promptly provide Mortgagee with a copy of any notice of default or other notice served upon Mortgagors by any such lessee.

FORECLOSURE. Upon the occurrence of an Event of Default, the entire unpaid Indebtedness shall, at the option of Mortgagee, become immediately due and payable for all purposes without any notice or demand, except as required by law, (ALL OTHER NOTICE OF THE EXERCISE OF SUCH OPTION, OR OF THE INTENT TO EXERCISE SUCH OPTION, BEING HEREBY EXPRESSLY WAIVED), and Mortgagee may, in addition to exercising any rights it may have with respect to the Personal Property under the Uniform Commercial Code of the jurisdiction in which the Mortgaged Property is located, institute proceedings in any court of competent jurisdiction to foreclose this instrument as a mortgage, or to enforce any of the covenants

hereof, or Mortgagee may, either personally or by agent or attorney-in-fact, enter upon and take possession of the Mortgaged Property and may manage, rent or lease the Mortgaged Property or any portion thereof upon such terms as Mortgagee may deem expedient, and collect, receive and receipt for all rentals and other income therefrom and apply the sums so received as hereinafter provided in case of sale. Mortgagee is hereby further authorized and empowered, as agent or attorney-in-fact, either after or without such entry, to sell and dispose of the Mortgaged Property EN MASSE or in separate parcels (as Mortgagee may think best), and all the right, title and interest of Mortgagors therein, by advertisement or in any manner provided by the laws of the jurisdiction in which the Mortgaged Property is located, (MORTGAGORS HEREBY EXPRESSLY WAIVE ANY RIGHT TO A HEARING PRIOR TO SUCH SALE), and to issue, execute and deliver a deed of conveyance, all as then may be provided by law; and Mortgagee shall, out of the proceeds or avails of such sale, after first paying and retaining all fees, charges, costs of advertising the Mortgaged Property and of making said sale, and attorneys' fees as herein provided, apply such proceeds to the Indebtedness, including all sums advanced or expended by Mortgagee or the legal holder of the Indebtedness, with interest from date of advance or expenditure at the Default Rate (provided Mortgagee has provided Mortgagors with notice within ten (10) days of such expenditure [otherwise, interest shall accrue at the Default Rate from the date Mortgagors are notified of such expenditure]) (as defined in the 1995 Notes or the 2001 Notes), rendering the excess, if any, as provided by law; such sale or sales and said deed or deeds so made shall be a perpetual bar, both in law and equity, against Mortgagors, the heirs, successors and assigns of Mortgagors, and all other persons claiming the Mortgaged Property aforesaid, or any part thereof, by, from, through or under Mortgagors. The legal holder of the Indebtedness may purchase the Mortgaged Property or any part thereof, and it shall not be obligatory upon any purchaser at any such sale to see to the application of the purchase money.

DUE ON SALE. The present ownership and management of the Mortgaged Property is a material consideration to Mortgagee in making the loan secured by this Mortgage and, except as specifically provided hereby, none of the Mortgagors shall: (i) convey title to all or any part of the Mortgaged Property; (ii) enter into any contract to convey (land contract installment sales contract/contract for deed), title to all or any part of the Mortgaged Property which gives a purchaser possession of, or income from, the Mortgaged Property prior to a transfer of title to all or any part of the Mortgaged Property ("Contract to Convey"); or (iii) cause or permit a Change in the Proportionate Ownership of any of the Mortgagors (as hereinafter defined). Except if resulting from the death or legal incompetency of any individual, any conveyance, entering into a Contract to Convey or Change in the Proportionate Ownership of any of the Mortgagors shall constitute a default under the terms of this Mortgage.

For purposes of this Mortgage, a "Change in the Proportionate Ownership of any of the Mortgagors" means any conveyance, assignment or transfer resulting in Mack-Cali Realty Corporation ("MCRC") or Mack-Cali Realty, L.P. ("MCRLP"), or both MCRC or MCRLP, owning, directly or indirectly (including through ownership of intermediate entities), less than a one hundred percent (100%) interest in any of the Mortgagors;

notwithstanding the foregoing, however, MCRC and/or MCRLP may convey, assign or transfer and otherwise may cause or permit the conveyance, assignment or transfer of up to a forty-nine percent (49%) interest in any Mortgagor provided that MCRC or MCRLP (either individually or collectively): (i) owns, directly or indirectly (including through ownership of intermediate entities), no less than a fifty-one percent (51%) interest in any Mortgagor; (ii) is, or controls, directly or indirectly, the entity or entities that is (are) the general partner(s) of such Mortgagor (for purposes of this provision only, "control" means the ownership of at least a fifty-one percent (51%) interest in the entity or entities that is (are) the general partner(s) of such Mortgagor); and (iii) acknowledges in writing, at the time of any Change in the Proportionate Ownership of any of the Mortgagors, that MCRC or MCRLP remains an "insider" of such Mortgagor, as defined in the United States Bankruptcy Code, and Mortgagee determines to its reasonable satisfaction that MCRC or MCRLP remains such an "insider". In addition to the foregoing, and notwithstanding anything to the contrary, any transfer, sale, distribution, redemption, issuance, exchange or other disposition of the stock of MCRC or any units of MCRLP (or any successor entity of MCRC and/or MCRLP), any merger, consolidation or other similar type of transaction involving MCRC and/or MCRLP (or any successor entity of MCRC and/or MCRLP), or any other transaction undertaken, or caused to be undertaken by MCRC and/or MCRLP to preserve the REIT status of MCRC (or its successor entity) shall not constitute a Change in the Proportionate Ownership of any of the Mortgagors for any purpose of this Mortgage (even if a "Change in the Proportionate Ownership of any of the Mortgagors", in fact, results from any such transaction or transactions), and shall be disregarded for all purposes of this Mortgage.

FINANCIAL STATEMENTS. Mortgagors agree to furnish to Mortgagee, at Mortgagors' expense and within ninety (90) days after the close of each fiscal year (each, a "Financial Statements Due Date"), annual audited consolidated financial statements on the Mortgagors (the "Audited Statements"), consisting of the following:

(a) a statement of assets and liabilities;

(b) a statement of cash flows including a schedule detailing expenditures for tenant improvements, leasing commissions and capital improvements; and

(c) an income statement (statement of operations) including a supplemental schedule detailing all expenses of the Mortgaged Property.

Mortgagors also agree to furnish to Mortgagee a current rent roll listing, with respect to all retail spaces, tenant sales, sales per square foot and percentage rents (for retail tenants who are obligated to pay percentage rent) (the "Rent Roll Report") by each Financial Statements Due Date. The Rent Roll Report shall contain a certification by the managing general partner(s) of MCRLP, stating that the Rent Roll Report is true and correct. Mortgagors also agree to furnish to Mortgagee a copy of any independent appraisals prepared for Mortgagors (the "Appraisals") (the Audited Statements, the Rent

Roll Report and the Appraisals are hereinafter collectively referred to as the "Financial Statements").

The Audited Statements shall (i) be stated at estimated fair market value prepared based upon an independent appraisal in accordance with generally accepted accounting principles by a certified public accountant satisfactory to Mortgagee, and the expense thereof shall be borne by Mortgagors, and (ii) include or be accompanied by a written statement by the accountants preparing or opining in regard to such Audited Statements, in form and substance satisfactory to Mortgagee, in the manner contemplated by New Jersey P.L. 1995, c.49, that such accountants know that Mortgagee shall receive and rely upon such Audited Statements.

In the event that the Audited Statements are not available by the Financial Statements Due Date, Mortgagors shall submit unaudited financial statements by the Financial Statements Due Date containing a certification by the managing general partner(s) of MCRLP, stating that, to the best of its knowledge and subject to audit adjustment, the financial statements are true and correct, and shall supply the Audited Statements as soon thereafter as such Audited Statements are available, but in no event later than three (3) months after the Financial Statements Due Date.

Mortgagors acknowledge that Mortgagee requires such Audited Statements and Rent Roll Report in order to record accurately the value of the Mortgaged Property for financial and regulatory reporting. If Mortgagors do not furnish, or cause to be furnished, the Audited Statements and Rent Roll Report to

Mortgagee, within thirty (30) days after Mortgagee shall have given written notice to Mortgagors that the Audited Statements and Rent Roll Report have not been received as required,

(i) interest on the unpaid principal balance of the Indebtedness shall, as of the date which is thirty (30) days after Mortgagee shall have given such written notice to Mortgagors, accrue and become payable at a rate equal to (a) the sum of the Interest Rate (as such term is defined in the 1995 Notes) plus one percent (1.0%) per annum for the 1995 Notes, and (b) the sum of the Interest Rate (as such term is defined in the 2001 Notes) plus one percent (1.0%) per annum for the 2001 Notes (together, the "Increased Rates"); and

(ii) Mortgagee may elect to obtain an independent appraisal and audit of the Mortgaged Property at Mortgagors' expense, and Mortgagors agree that they will, upon request, promptly make Mortgagors' books and records regarding the Mortgaged Property available to Mortgagee and the person(s) performing the appraisal and audit (which obligation Mortgagors agree can be specifically enforced by Mortgagee).

The amount of the payments due under the 1995 Notes and the 2001 Notes during the time in which the Increased Rates are in effect shall be increased with no change in the amortization under the 1995 Notes or the 2001 Notes. Commencing on the date on

which such Audited Statements and Rent Roll Report are received by Mortgagee, interest on the unpaid principal balance shall again accrue at the Interest Rate set forth in the 1995 Notes and the 2001 Notes, respectively, and the amount of the payments shall be reduced accordingly. Notwithstanding the foregoing, Mortgagee shall have the right to conduct an independent audit at its own expense at any time; PROVIDED, HOWEVER, that such audit shall not be conducted more than once in any fiscal year.

ADDITIONAL COVENANTS. The Mortgagors covenant, jointly and severally, as follows:

A. The Plaza IV Land and the Plaza VI/VII Land shall be used for surface parking or another Permitted Use unless released from the lien of this Mortgage, but in no event shall the total parking spaces located on the Mortgaged Property be less than the total parking spaces required by applying a ratio of .666 parking spaces per 1000 square feet to the total square footage of the improvements on the Mortgaged Property.

B. Mortgagors shall not amend, modify or supplement the ROEA including, without limitation, the exhibits thereto, without the prior written consent of Mortgagee in each instance including, without limitation, the provisions of Sections 2.1, 2.2, 5.2, 6.8, 6.25, 7.1 and 15.1 of the ROEA.

C. Mortgagors shall not amend or cause to be amended their respective partnership agreements without the prior written consent of Mortgagee in each instance, which consent shall not be unreasonably withheld.

D. Mortgagors shall not amend or cause to be amended the ground leases affecting any Section of the Property without the prior written consent of Mortgagee in each instance, which consent shall not be unreasonably withheld.

E. Mortgagors shall comply with the terms and conditions of the respective Financial Agreements between Mortgagors and the City of Jersey City and shall provide Mortgagee with copies of the Annual Financial Reports filed with the City of Jersey City pursuant to the Financial Agreements, together with copies of all correspondence sent to or received from the City of Jersey City with respect to the Financial Agreements alleging a default or purported default thereunder by any Mortgagor.

F. If either or both of the North Pier Land and/or the South Pier Land shall be developed, Cali Harborside shall cause Cal-Harbor No. Pier Urban Renewal Associates, L.P. and Cal-Harbor So. Pier Urban Renewal Associates L.P. to develop the North Pier Land and the South Pier Land, respectively, only for the Permitted Uses and subject to the provisions of the ROEA.

PARTIAL RELEASES. Upon (x) the sale or a transfer to a party who is not an Affiliate of MCRC or MCRLP, or (y) the closing of a loan by Mortgagors or an Affiliate to finance the construction of any portion of the

Mortgaged Property (other than Plaza II/III) for the Permitted Uses, or (z) the commencement of construction of any portion of the Mortgaged Property (other than Plaza II/III) for the Permitted Uses by Mortgagors or an Affiliate without

a loan, one or all of the Plaza IV Land and/or the Plaza VI/VII Land shall be released from this Mortgage, subject to the following (the "Upland Parcel Release Criteria"):

(i) there is then no (i) Non-Monetary Default under the Loan Documents with respect to which Mortgagee shall have given Mortgagors notice pursuant to the NOTICE OF DEFAULT provision herein, or (ii) Monetary Default, or (iii) Event of Default and the continuance thereof;

(ii) Mortgagee is paid a total service fee of Ten Thousand Dollars ($10,000.00) for each release;

(iii) each release shall consist of not less than one Section of the Property which shall be a tax parcel separate from the remaining portions of the Mortgaged Property;

(iv) a boundary survey delineating the Section of the Property to be released shall be furnished to Mortgagee at Mortgagors' sole cost and expense;

(v) remaining portions of the Mortgaged Property shall not be deprived of public access to roads or to the use of any utilities, water, sanitary and storm sewers;

(vi) Mortgagee shall be satisfied that:

(a) following such transfer, the remaining Sections of the Property shall meet zoning requirements for their use;

(b) the total parking on the remaining Sections of the Mortgaged Property following such transfer shall be no less than the greater of (1) total parking spaces required by all leases, (2) total parking spaces required by zoning, or (3) total parking spaces required by applying a ratio of .666 parking spaces per 1000 square feet to the total square footage of the improvements on the remaining Sections of the Mortgaged Property;

(c) the rights and obligations of the parties under the ROEA shall not be affected by the transfer and, in particular, the tenants of Plaza II/III shall have the right to access the parking on the Mortgaged Property pursuant to the ROEA;

(vii) the Plaza IV Land and the Plaza VI/VII Land to be released may be developed only for the Permitted Uses, which restrictions on uses shall be incorporated into the deed of transfer, and subject to the provisions of the ROEA;

(viii) Mortgagors shall pay all of Mortgagee's outside counsel fees incurred for Mortgagee's due diligence and review of all documentation relating to such release; and

(ix) Mortgagors shall satisfy such other conditions as Mortgagee may reasonably require.

MODIFICATION OF TERMS. Without affecting the liability of Mortgagors or any other person (except any person expressly released in writing) for payment of the Indebtedness or for performance of any obligation contained herein and without affecting the rights of Mortgagee with respect to any security not expressly released in writing, Mortgagee may, at any time and from time to time, either before or after the maturity of the 1995 Notes and the 2001 Notes, without notice or consent: (i) release any person liable for payment of all or any part of the Indebtedness or for performance of any obligation; (ii) make any agreement extending the time or otherwise altering the terms of payment of all or any part of the Indebtedness, or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof; (iii) exercise or refrain from exercising or waive any right Mortgagee may have; (iv) accept additional security of any kind; (v) release or otherwise deal with any property, real or personal, securing the Indebtedness, including all or any part of the Mortgaged Property.

NO ORAL MODIFICATION. This Mortgage may not be altered, amended, modified, changed or terminated orally, but only by a written agreement signed by the party against whom enforcement is sought.

EXERCISE OF OPTIONS. Whenever, by the terms of this Mortgage, the 1995 Notes, the 2001 Notes or any of the other Loan Documents, Mortgagee is given any option, such option may be exercised when the right accrues or at any time

thereafter, and no acceptance by Mortgagee of payment of Indebtedness in default shall constitute a waiver of any default then existing and continuing or thereafter occurring.

NATURE AND SUCCESSION OF AGREEMENTS. Each of the provisions, covenants and agreements contained herein are joint and several and shall inure to the benefit of, and be binding on, the heirs, executors, administrators, successors, grantees, lessees and assigns of the parties hereto, respectively, and the term "Mortgagee" shall include the owner and holder of the 1995 Notes and the 2001 Notes.

LEGAL ENFORCEABILITY. No provision of this Mortgage, the 1995 Notes, the 2001 Notes or any other Loan Documents shall require the payment of interest or other obligation in excess of the maximum permitted by law. If any such excess payment is provided for in any Loan Documents or shall be adjudicated to be so provided, the provisions of this paragraph shall govern and Mortgagors shall not be obligated to pay the amount of such interest or other obligation to the extent that it is in excess of the amount permitted by law.

TAXATION OF THE 1995 NOTES AND THE 2001 NOTES. If by the laws of the United States of America or of any state or governmental subdivision thereof having jurisdiction of the Mortgagors or of the Mortgaged Property or of the transaction evidenced by the 1995 Notes and the 2001 Notes and this Mortgage, any tax or fee is due or becomes due in respect of the issuance of the 1995 Notes and the 2001 Notes hereby secured or the making, recording and registration of this Mortgage, except for Mortgagee's income tax, Mortgagors covenant and agree to pay such tax or fee in the manner required by such law, and to hold harmless and indemnify Mortgagee, its successors and assigns, against any liability incurred by reason of the imposition of any such tax or fee.

PREPAYMENT OF THE 1995 NOTES AND/OR THE 2001 NOTES. Mortgagors shall have the right, upon thirty (30) days advance written notice, to prepay the 1995 Notes and/or the 2001 Notes in full with a prepayment fee. This fee represents consideration to Mortgagee for loss of yield and reinvestment costs. The fee shall be the greater of Yield Maintenance (as hereinafter defined) or one percent (1.0%) of the outstanding principal balance of the 1995 Notes and/or the 2001 Notes.

As used herein, "Yield Maintenance" means the amount, if any, by which

(i) the present value of the Then Remaining Payments (as hereinafter defined) calculated using a periodic discount rate (corresponding to the payment frequency under the Notes being prepaid) which, when compounded for such number of payment periods in a year, equals the sum of .25% and the per annum effective yield of the Most Recently Auctioned United States Treasury Obligation having a maturity date equal to the Maturity Date (or, if there is no such equal maturity date, then the linearly interpolated per annum effective yield of the two (2) Most Recently Auctioned United States Treasury Obligations having maturity dates most nearly equivalent to the Maturity Date) as reported by THE WALL STREET JOURNAL five (5) business days preceding the prepayment date; exceeds

(ii) the outstanding principal balance of the 1995 Notes and/or the 2001 Notes (whichever is being prepaid) (exclusive of all accrued interest).

If such United States Treasury Obligation yields shall not be reported as of such time or the yields reported as of such time shall not be ascertainable, then the periodic discount rate shall be equal to the sum of .25% and the Treasury Constant Maturity Series yields reported, for the latest day for which such yields shall have been so reported, as of five (5) business days preceding the prepayment date, in Federal Reserve Statistical Release H. 15 (519) (or any comparable successor publication) for actively traded United States Treasury obligations having a constant maturity most nearly equivalent to the Maturity Date.

As used herein, "Then Remaining Payments" means payments in such amounts

and at such times as would have been payable subsequent to the date of such prepayment in accordance with the terms of the 1995 Notes and/or the 2001 Notes.

ESTOPPEL CERTIFICATE. Within fifteen (15) days after any written request by either party, the other party shall certify, by a written statement duly

acknowledged, the amount of principal and interest then owing on the Notes and whether any offsets or defenses exist against the indebtedness secured thereby.

LIMITATION OF LIABILITY. Notwithstanding any provision contained herein to the contrary, the personal liability of Mortgagors shall be limited as provided in the 1995 Notes and the 2001 Notes.

NOTICES. Any notices, demands, requests and consents permitted or required hereunder or under any other Loan Document shall be in writing, may be delivered personally or sent by certified mail with postage prepaid, by reputable courier service with charges prepaid, by telecopier or by such other method whereby the receipt thereof may be confirmed. Any notice or demand sent to Mortgagor by certified mail or reputable courier service shall be addressed to Mortgagor at c/o Mack-Cali Realty Corporation, 100 Commerce Drive, Cranford, New Jersey 07016 or such other address in the United States of America as Mortgagor shall designate in a notice to Mortgagee given in the manner described herein, with a copy to Pryor Cashman Sherman & Flynn LLP, 410 Park Avenue, New York, New York 10022-4441. Attention: Stephen G. Epstein, Esq., telecopier (212) 326-0806. Any notice sent to Mortgagor by telecopier shall be sent to (908) 497-0485. Any notice sent to Mortgagee by certified mail or reputable courier service shall be addressed to The Northwestern Mutual Life Insurance Company to the attention of the Real Estate Investment Department at 720 East Wisconsin Avenue, Milwaukee, WI 53202, or at such other addresses as Mortgagee shall designate in a notice given in the manner described herein. Any notice sent to Mortgagee by telecopier shall be sent to (414) 299-5773. Any notice given to Mortgagee shall refer to the Loan No. set forth above. Any notice or demand which is rejected, the acceptance of delivery of which is refused or which is incapable of being delivered during normal business hours at the address specified herein or such other address designated pursuant hereto shall be deemed received as of the date of attempted delivery.

SEVERABILITY. If any of the provisions of this Mortgage or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of this Mortgage, and the application of such provision or provisions to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and every provision of this Mortgage shall be valid and enforceable to the fullest extent permitted by law.

CAPTIONS. The captions contained herein are for convenience and reference only and in no way define, limit or describe the scope or intent of, or in any way affect this Mortgage.

GOVERNING LAW. This Mortgage shall be governed by and construed in accordance with the laws of the state in which the Mortgaged Property is located.

CO-INVESTMENT AND SERVICING OF THE NOTES. The Northwestern Mutual Life Insurance Company ("Northwestern") shall service the Loan Documents and shall be authorized to act on behalf of Principal Life Insurance Company (f/k/a Principal Mutual Life Insurance Company) ("Principal") and/or any other lenders holding an interest in the Loan Documents in accordance with the terms of a Co-Lending and Servicing Agreement between Northwestern and Principal dated as of December 11, 1995, as amended May 18, 2001 throughout the term of the Indebtedness provided no Event of Default exists under the Loan Documents.

Any notices, requests, approvals, consents, deliveries or other forms of communication between Mortgagors and Northwestern shall be deemed adequate and sufficient as if given by or to Principal.

If Northwestern ceases to service the Loan Documents, a new servicer will be appointed by Northwestern and Mortgagors shall be provided with written notice as to the name and address of the new servicer; PROVIDED, HOWEVER, that Mortgagors shall only be required to communicate with one servicer at any time with respect to the Loan Documents, and any notices, requests, approvals, consents, deliveries or other forms of communication between Mortgagors and each servicer shall be deemed adequate and sufficient as if given by or from all of the holders of the Loan Documents. Notwithstanding the foregoing, however, both Northwestern and Principal shall have the right to give Mortgagors a notice of default and such notice will have the same effect as if given by Northwestern.

RELEASES. If the Mortgagors shall pay or cause to be paid the principal of and interest on the 1995 Notes and the 2001 Notes in full at maturity, or earlier, as permitted in accordance with the terms thereof, and all other Indebtedness payable to Mortgagee hereunder by the Mortgagors or secured hereby or by the other Loan Documents, then this Mortgage and all of the other Loan Documents shall be discharged and satisfied or assigned (to the Mortgagors or to any other person at the Mortgagors' direction and without recourse to the Mortgagee), at the Mortgagors' option, without warranty (except as to acts of Mortgagee) at the expense of the Mortgagors upon their written request. Concurrently with such release and satisfaction or assignment of this Mortgage and all of the other

Loan Documents, the Mortgagee will return to the Mortgagors the 1995 Notes and the 2001 Notes and all insurance policies relating to the Mortgaged Property which may be held by the Mortgagee and, on the written request and at the expense of the Mortgagors, will execute and deliver such proper instruments of release (including appropriate UCC-3 termination statements) as may reasonably be requested by the Mortgagors to evidence such release and satisfaction or assignment, and any such instrument, when duly executed by the Mortgagee and duly recorded in the places where this Mortgage and each other Loan Document is recorded, shall conclusively evidence the release and satisfaction or assignment, as appropriate, of this Mortgage and the other

Loan Documents.

IN WITNESS WHEREOF, this Mortgage has been executed by the Mortgagors as of the day and year first above written.

MORTGAGORS HEREBY ACKNOWLEDGE THAT MORTGAGORS HAVE RECEIVED FROM THE MORTGAGEE WITHOUT CHARGE A TRUE COPY OF THIS INSTRUMENT STAMPED "COPY" AND ON WHICH SUCH COPY IS A CERTIFICATION BY THE MORTGAGEE OR THE MORTGAGEE'S ATTORNEY THAT SUCH INSTRUMENT IS A TRUE COPY OF THIS MORTGAGE.

MORTGAGOR:

CALI HARBORSIDE (FEE)
ASSOCIATES L.P., a New Jersey
limited partnership

Signed, sealed and delivered
in the presence of:

By: Mack-Cali Sub X, Inc., a Delaware corporation, General Partner

/s/ Kenneth S. Freeman
- ----------
Kenneth S. Freeman
Associate General Counsel

By: /s/ Barry Lefkowitz (SEAL)
Barry Lefkowitz
Executive Vice President &
Chief Financial Officer

(corporate seal)

CAL-HARBOR II & III URBAN
RENEWAL ASSOCIATES L.P., a New
Jersey limited partnership

/s/ Kenneth S. Freeman
- ----------
Kenneth S. Freeman
Associate General Counsel

By: /s/ Barry Lefkowitz (SEAL)
Barry Lefkowitz
Executive Vice President &
Chief Financial Officer

(corporate seal)

CAL-HARBOR IV URBAN
RENEWAL ASSOCIATES L.P., a New
Jersey limited partnership

Signed, sealed and delivered
in the presence of:

By: Mack-Cali Sub X, Inc., a Delaware corporation, General Partner

/s/ Kenneth S. Freeman
- ----------
Kenneth S. Freeman
Associate General Counsel

By: /s/ Barry Lefkowitz (SEAL)
Barry Lefkowitz
Executive Vice President &
Chief Financial Officer

(corporate seal)

(SIGNATURES CONTINUED ON NEXT PAGE)

(SIGNATURES CONTINUED FROM PREVIOUS PAGE)

CAL-HARBOR VI URBAN

RENEWAL ASSOCIATES L.P., a New Jersey limited partnership

Signed, sealed and delivered in the presence of:

By: Mack-Cali Sub XI, Inc., a Delaware corporation, General Partner

/s/ Kenneth S. Freeman
Kenneth S. Freeman
Associate General Counsel

By: /s/ Barry Lefkowitz (SEAL)
Barry Lefkowitz
Executive Vice President &
Chief Financial Officer

(corporate seal)

(SIGNATURES CONTINUED ON NEXT PAGE)

(SIGNATURES CONTINUED FROM PREVIOUS PAGE)

MORTGAGEE:

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, a Wisconsin corporation

By: Northwestern Investment Management Company, LLC, a Delaware limited liability company, its wholly owned affiliate and authorized representative

Signed, sealed and delivered in the presence of:

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/s/ Janet M. Szukalski
Janet M. Szukalski

By: /s/ Eugene R. Skaggs (SEAL)
Eugene R. Skaggs, Managing Director

/s/ Rosemary Poetzel
Rosemary Poetzel

Attest: /s/ Richard A. Schnell (SEAL)
Richard A. Schnell, Assistant Secretary

(corporate seal)

PRINCIPAL LIFE INSURANCE COMPANY, formerly known as Principal Mutual Life Insurance Company, an Iowa corporation

Signed, sealed and delivered in the presence of:

/s/ Joyce N. Hoffman
Joyce N. Hoffman
Vice President and
Corporate Secretary

By: /s/ Stephen G. Skrivanek (SEAL)
Stephen G. Skrivanek, Its

/s/ Joyce N. Hoffman
Joyce N. Hoffman
Vice President and
Corporate Secretary

By: /s/ Christopher J. Henderson (SEAL)
Christopher J. Henderson, Its Counsel

(corporate seal)

</table>

STATE OF NEW JERSEY)
)ss.
COUNTY OF UNION)

Be it remembered that on the 18th day of May, 2001, before me, the subscriber, personally appeared Barry Lefkowitz who, I am satisfied, is the person in the within instrument named, who being duly sworn by me, did depose

and say that he is the CFO of Mack-Cali Sub X, Inc., a Delaware corporation, which is the General Partner of CALI HARBORSIDE (FEE) ASSOCIATES L.P., a New Jersey limited partnership who, I am satisfied, is the person who signed the within instrument, and I having first made known to him the contents thereof, he thereupon acknowledged that said instrument made by CALI HARBORSIDE (FEE) ASSOCIATES L.P., and signed, sealed and delivered by him, is the voluntary act and deed of CALI HARBORSIDE (FEE) ASSOCIATES L.P. made by virtue of his authority as CFO of Mack-Cali Sub X, Inc., the General Partner of CALI HARBORSIDE (FEE) ASSOCIATES L.P.

Sworn to and subscribed before me
the day and year aforesaid.

/s/ Susan M. Epstein
- ------------------------------------
Susan M. Epstein
Notary Public of New Jersey

STATE OF NEW JERSEY)
)ss.
COUNTY OF UNION)

Be it remembered that on the 18th day of May, 2001, before me, the subscriber, personally appeared Barry Lefkowitz who, I am satisfied, is the person in the within instrument named, who being duly sworn by me, did depose and say that he is the CFO of Mack-Cali Sub X, Inc., a Delaware corporation, which is the General Partner of CAL-HARBOR II & III URBAN RENEWAL ASSOCIATES L.P., a New Jersey limited partnership who, I am satisfied, is the person who signed the within instrument, and I having first made known to him the contents thereof, he thereupon acknowledged that said instrument made by CAL-HARBOR II & III URBAN RENEWAL ASSOCIATES L.P., and signed, sealed and delivered by him, is the voluntary act and deed of CAL-HARBOR II & III URBAN RENEWAL ASSOCIATES L.P. made by virtue of his authority as CFO of Mack-Cali Sub X, Inc., the General Partner of CAL-HARBOR II & III URBAN RENEWAL ASSOCIATES L.P.

Sworn to and subscribed before me
the day and year aforesaid.

/s/ Susan M. Epstein
- ------------------------------------
Susan M. Epstein
Notary Public of New Jersey

STATE OF NEW JERSEY)
)ss.
COUNTY OF UNION)

Be it remembered that on the 18th day of May, 2001, before me, the subscriber, personally appeared Barry Lefkowitz who, I am satisfied, is the person in the within instrument named, who being duly sworn by me, did depose and say that he is the CFO of Mack-Cali Sub X, Inc., a Delaware corporation, which is the General Partner of CAL-HARBOR IV URBAN RENEWAL ASSOCIATES L.P., a New Jersey limited partnership who, I am satisfied, is the person who signed the within instrument, and I having first made known to him the contents thereof, he thereupon acknowledged that said instrument made by CAL-HARBOR IV URBAN RENEWAL ASSOCIATES L.P., and signed, sealed and delivered by him, is the voluntary act and deed of CAL-HARBOR IV URBAN RENEWAL ASSOCIATES L.P. made by virtue of his authority as CFO of Mack-Cali Sub X, Inc., the General Partner of CAL-HARBOR IV URBAN RENEWAL ASSOCIATES L.P.

Sworn to and subscribed before me
the day and year aforesaid.

/s/ Susan M. Epstein
- ------------------------------------
Susan M. Epstein
Notary Public of New Jersey

STATE OF NEW JERSEY)
)ss.
COUNTY OF UNION)

Be it remembered that on the 18th day of May, 2001, before me, the subscriber, personally appeared Barry Lefkowitz who, I am satisfied, is the person in the within instrument named, who being duly sworn by me, did depose and say that he is the CFO of Mack-Cali Sub XI, Inc., a Delaware corporation, which is the General Partner of CAL-HARBOR VI URBAN RENEWAL ASSOCIATES L.P., a New Jersey limited partnership who, I am satisfied, is the person who signed the within instrument, and I having first made known to him the contents thereof, he thereupon acknowledged that said instrument made by CAL-HARBOR VI URBAN RENEWAL ASSOCIATES L.P., and signed, sealed and delivered by him, is the voluntary act and deed of CAL-HARBOR VI URBAN RENEWAL ASSOCIATES L.P. made by virtue of his authority as CFO of Mack-Cali Sub XI, Inc., the General Partner of CAL-HARBOR VI URBAN RENEWAL ASSOCIATES L.P.

Sworn to and subscribed before me
the day and year aforesaid.

/s/ Susan M. Epstein
- ------------------------------------
Susan M. Epstein
Notary Public of New Jersey

STATE OF WISCONSIN)
)ss.
COUNTY OF MILWAUKEE)

Be it remembered that on the 16th day of May, 2001, before me, the subscriber, personally appeared Richard A. Schnell, to me known who being by me duly sworn according to law, on his/her oath does depose and make proof to my satisfaction that he/she is the Assistant Secretary of Northwestern Investment Management Company, LLC, on behalf of THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY and well knows the seal of THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY the Lender in the foregoing mortgage named; that the seal affixed to said instrument is the corporate seal of said corporation, that it was so affixed by virtue of the authority from the Board of Trustees of said corporation; that Eugene R. Skaggs is the Managing Director of Northwestern Investment Management Company, LLC; that he/she saw said Eugene R. Skaggs as such Managing Director affix said seal thereto, sign and deliver said mortgage, and heard Eugene R. Skaggs declare that he/she signed, sealed and delivered the same as the voluntary act and deed of said corporation, by virtue of such authority, and that this deponent signed his/her name thereto, at the same time as a subscribing witness.

/s/ Richard A. Schnell

Richard A. Schnell, Ass't Secretary

Sworn to and subscribed before me
the day and year aforesaid.

/s/ Janet M. Szukalski
- ------------------------------------
Janet M. Szukalski
Notary Public of Wisconsin

My commission expires: May 9, 2004

STATE OF IOWA)
)ss.
COUNTY OF POLK)

Be it remembered that on the 15th day of May, 2001, before me, the subscriber, Dian Gunderman, personally appeared Stephen G. Skrivanek and Christopher J. Henderson, to me known who being by me duly sworn according to law, on his/her oath does depose and make proof to my satisfaction that they are the Counsel and Counsel of PRINCIPAL LIFE INSURANCE COMPANY, formerly known as Principal Mutual Life Insurance Company and well knows the seal of PRINCIPAL LIFE INSURANCE COMPANY, formerly known as Principal Mutual Life Insurance Company, the Lender in the foregoing mortgage named; that the seal affixed to said instrument is the corporate seal of said corporation, that it was so affixed by virtue of the authority from the Board of Directors of said corporation; that Joyce N. Hoffman is the Corporate Secretary of said corporation; that she saw said Stephen G. Skrivanek and Christopher J. Henderson as such Counsel and Counsel affix said seal thereto, sign and deliver said mortgage, and heard Stephen G. Skrivanek and Christopher J. Henderson declare that they signed, sealed and delivered the same as the voluntary act and deed of said corporation, by virtue of such authority, and that this deponent signed his/her name thereto, at the same time as a

subscribing witness.

/s/ Joyce N. Hoffman

Joyce N. Hoffman
Vice President and Corporate
Secretary

Sworn to and subscribed before me
the day and year aforesaid.

/s/ Dian Gunderman
- ---
Dian Gunderman
Notary Public of Iowa

My commission expires: April 21, 2003

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Exhibit 10.20

PRINCIPAL LOAN NO. 752837

PROMISSORY NOTE

$35,000,000.00 Dated as of May 18, 2001

For value received, the undersigned, whether one or more in number and if more than one, then jointly and severally, herein called "Borrowers", promise to pay to the order of PRINCIPAL LIFE INSURANCE COMPANY, an Iowa corporation, who, together with any subsequent holder of this Promissory Note, is hereinafter referred to as "Lender", at 711 High Street, Des Moines, Iowa 50392-0301, or at such other place as Lender shall designate in writing, in coin or currency which, at the time or times of payment, is legal tender for public and private debts in the United States, the principal sum of THIRTY-FIVE MILLION and 00/100 DOLLARS ($35,000,000.00) or so much thereof as shall have been advanced from time to time plus interest on the outstanding principal balance at the rate and payable as follows:

Interest shall accrue from the date of advance until maturity at the rate of seven and forty-two hundredths percent (7.42%) per annum (the "Interest Rate"), computed on the basis of a 360-day year composed of twelve (12) 30-day months.

Accrued interest only on the amount advanced shall be paid on the first day of the month following the date of advance and on the first day of each and every month thereafter (in the amount of $216,416.67) until maturity. All installments shall be applied first in payment of interest, calculated monthly on the unpaid principal balance, and the remainder of each installment shall be applied in payment of principal. The entire unpaid principal balance plus accrued interest thereon shall be due and payable on January 1, 2006 (the "Maturity Date"). All such installments of principal and interest shall be paid by the Borrowers to the Lender in accordance with Lender's electronic wire transfer instructions.

Borrowers shall have the right, upon thirty (30) days advance written notice, to prepay this Promissory Note in full with a prepayment fee. This fee represents consideration to Lender for loss of yield and reinvestment costs. The fee shall be the greater of Yield Maintenance (as hereinafter defined) or one percent (1.0%) of the outstanding principal balance of this Promissory Note.

As used herein, "Yield Maintenance" means the amount, if any, by which

(i) the present value of the Then Remaining Payments (as hereinafter defined) calculated using a periodic discount rate (corresponding to the payment frequency under this Promissory Note) which, when compounded for such

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number of payment periods in a year, equals the sum of .25% and the per annum effective yield of the Most Recently Auctioned United States Treasury Obligation having a maturity date equal to the Maturity Date (or, if there is no such equal maturity date, then the linearly interpolated per annum effective yield of the two (2) Most Recently Auctioned United States Treasury Obligations having maturity dates most nearly equivalent to the Maturity Date) as reported by THE WALL STREET JOURNAL five (5) business days preceding the prepayment date; exceeds

(ii) the outstanding principal balance of this Promissory Note (exclusive of all accrued interest).

If such United States Treasury Obligation yields shall not be reported as of such time or the yields reported as of such time shall not be ascertainable, then the periodic discount rate shall be equal to the sum of .25% and the Treasury Constant Maturity Series yields reported, for the latest day for which such yields shall have been so reported, as of five (5) business days preceding the prepayment date, in Federal Reserve Statistical Release H. 15 (519) (or any comparable successor publication) for actively traded United States Treasury obligations having a constant maturity most nearly equivalent to the Maturity Date.

As used herein, "Then Remaining Payments" means payments in such amounts and at such times as would have been payable subsequent to the date of such prepayment in accordance with the terms of this Promissory Note.

As used herein, "Most Recently Auctioned United States Treasury Obligations" means the U. S. Treasury bonds, notes and bills with maturities of 30 years, 10

years, 5 years, 3 years, 2 years and 1 year which, as of the date the prepayment fee is calculated, were most recently auctioned by the United States Treasury.

Other capitalized terms used herein and not otherwise defined shall have the meanings opposite such terms as set forth in the Lien Instrument hereinafter referred to.

Upon the occurrence of an Event of Default (as such term is defined in the Lien Instrument hereinafter referred to) followed by the acceleration of the whole indebtedness evidenced by this Promissory Note, or a condemnation or sale under threat of condemnation of all or substantially all of the Mortgaged Property (as such term is defined in the Lien Instrument), the payment of such indebtedness will be deemed to be a voluntary prepayment hereof and such payment will, therefore, to the extent not prohibited by law, include the prepayment fee required under the prepayment in full privilege recited above.

Borrowers shall not have the right to make partial prepayments of this Promissory

Note, except as provided by, and in accordance with, the terms of the Lien Instrument or the Plaza II/III Notes (as defined in the Lien Instrument).

Borrowers acknowledge and agree that the Interest Rate hereunder shall be increased if certain financial statements and other reports are not furnished to Lender, all as described in more detail in the provision of the Lien Instrument entitled "FINANCIAL STATEMENTS".

All agreements between the Borrowers and the Lender, whether now existing or hereafter arising, and whether written or oral, are hereby limited so that in no contingency, whether by reason of demand for payment or acceleration of the maturity hereof or otherwise, shall the interest contracted for, charged or received by the Lender exceed the maximum amount permissible under applicable law. If, from any circumstance whatsoever, interest would otherwise be payable to the Lender in excess of the maximum lawful amount, the interest payable to the Lender shall be reduced to the maximum amount permitted under applicable law; and if, from any circumstance, the Lender shall ever receive anything of value deemed interest by applicable law in excess of the maximum lawful amount, an amount equal to any excessive interest shall, at the option of the Lender, be applied to the reduction of the principal hereof and not to the payment of interest or, if such excessive interest exceeds the unpaid balance of principal hereof, such excess shall be refunded to the Borrowers. This paragraph shall control all agreements between the Borrowers and the Lender.

This Promissory Note is secured by certain property (the "Mortgaged Property") in the City of Jersey City, County of Hudson, State of New Jersey described in an Amended and Restated Mortgage and Security Agreement (the "Lien Instrument") of even date herewith executed by Cali Harborside (Fee) Associates L.P., a New Jersey limited partnership, Cal-Harbor II & III Urban Renewal Associates L.P., a New Jersey limited partnership, Cal-Harbor IV Urban Renewal Associates L.P., a New Jersey limited partnership and Cal-Harbor VI Urban Renewal Associates L.P., a New Jersey limited partnership to THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY and PRINCIPAL LIFE INSURANCE COMPANY, formerly known as Principal Mutual Life Insurance Company (the "Co-Investor").

Upon the occurrence of an Event of Default (as defined in the Lien Instrument), the whole unpaid principal hereof and accrued interest shall, at the option of Lender, to be exercised at any time thereafter, become due and payable at once without notice, notice of the exercise of, and the intent to exercise, such option being hereby expressly waived.

All parties at any time liable, whether primarily or secondarily, for payment of indebtedness evidenced hereby, for themselves, their heirs, legal representatives, successors and assigns, respectively, expressly waive presentment for payment, notice of dishonor, protest, notice of protest, and diligence in collection; consent to the extension by Lender of the time of said payments or any part thereof; further consent that the real or

collateral security or any part thereof may be released by Lender, without in any way modifying, altering, releasing, affecting or limiting their respective liability or the lien of the Lien Instrument; and agree to pay reasonable attorneys' fees and expenses of collection in case this Promissory Note is placed in the hands of an attorney for collection or suit is brought hereon and any attorneys' fees and expenses incurred by Lender to enforce or preserve its rights under any of the Loan Documents (as such term is defined in the Lien Instrument) in any bankruptcy or insolvency proceeding.

Any principal, interest or other amounts payable under any of the Loan Documents, not paid when due (without regard to any notice and/or cure provisions contained in any of the Loan Documents), including principal becoming due by reason of acceleration by Lender of the entire unpaid balance of this Promissory Note, shall bear interest from the due date thereof until paid at the Default Rate. As used herein, "Default Rate" means the lower of a rate equal to the interest rate in effect at the time of the default as herein provided plus five percent (5.0%) per annum or the maximum rate permitted by law.

Notwithstanding any provision contained herein or in the Lien Instrument to the contrary, no personal liability shall be asserted or enforceable against (a) the partners of any of the Borrowers, or (b) any principal, shareholder, trustee, beneficiary, director, officer or advisor of any partner of any Borrower (collectively, the "Exculpated Parties") by the Lender in respect of the indebtedness evidenced hereby or secured by the Lien Instrument (collectively, the "Indebtedness"), this Promissory Note or the Lien Instrument or any other Loan Document or the making, issuance or transfer thereof, all such liability, if any, being expressly waived by the Lender and any successive holder of this Promissory Note and the Lien Instrument; and the Lender and any successive holder of this Promissory Note and the Lien Instrument shall accept this Promissory Note and the Lien Instrument upon the express condition that in the case of the occurrence of an Event of Default, the remedies of the Lender in its sole discretion shall, except as provided below, be limited to the Mortgaged Property or the proceeds from the sale of the Mortgaged Property and the proceeds realized by Lender in exercising its rights and remedies (i) under the Absolute Assignment (as defined in the Lien Instrument), (ii) under any of the other Loan Documents, and (iii) in any other collateral securing the Indebtedness. If such proceeds are insufficient to pay the Indebtedness, Lender and any successive holder of this Promissory Note will never institute any action, suit, claim or demand in law or in equity against the Exculpated Parties for or on account of such deficiency; PROVIDED, HOWEVER, that the provisions contained in this paragraph

(i) shall not in any way affect or impair the validity or enforceability of the Indebtedness or the Lien Instrument; and

(ii) shall not prevent Lender from seeking and obtaining a judgment solely against Borrowers, and Borrowers shall be personally jointly and severally liable, for the Recourse Obligations (as hereinafter defined); and

(iii) with respect solely to the Borrowers, shall not be applicable in the event of a violation of any of the provisions of the Lien Instrument following the caption entitled "DUE ON SALE" (I.E., Borrowers shall be personally liable for all of the Indebtedness in the event of such violation) (it is expressly agreed and understood that the Exculpated Parties shall not have or incur any personal liability with respect to this subsection [iii]); and

(iv) with respect solely to the Borrowers, shall not be applicable in the event of any breach or violation of the provisions of the Lien Instrument following the caption entitled "OTHER LIENS" (it is expressly agreed and understood that the Exculpated Parties shall not have or incur any personal liability with respect to this subsection [iv]); and

(v) with respect solely to the Borrowers, shall not be applicable in the event of any fraud or willful misrepresentation by any Borrower or any general partner of any Borrower regarding the Mortgaged Property, the making or delivery of any of the Loan Documents or in any materials or information provided by any Borrower or any general partner of any Borrower in connection with the Indebtedness (it is expressly agreed and understood that the Exculpated Parties shall not have or incur any personal liability with respect to this subsection [v]).

As used herein, the term "Recourse Obligations" means

(a) rents and other income regardless of type or source of payment (including, but not limited to, CAM charges, lease termination payments, refunds of any type, prepayment of rents, settlements of litigation or settlements of past due rents) from each Section of the Property from and after the occurrence of any default under the Loan Documents remaining uncured prior to the Conveyance Date, which rents and other income have not been applied to the payment of principal and interest on this Promissory Note or to reasonable Operating Expenses of the Property,

(b) amounts necessary to repair any damage to the Mortgaged Property resulting from waste or caused by the intentional acts or omissions of

any of the Borrowers or those acting on behalf of any of the Borrowers (PROVIDED, HOWEVER, if Borrowers' failure to comply with the Maintenance of Property obligations is due to lack of funds before any partnership distributions, then the same shall not constitute waste due to intentional acts or omissions),

(c) insurance loss proceeds and condemnation award proceeds released to any of the Borrowers but not applied in accordance with any agreement between any of the Borrowers and Lender as to their application,

(d) amounts necessary to pay costs of investigation and clean-up of Hazardous

Substances (as such term is defined in the Environmental Indemnity Agreement of even date herewith) on or affecting the Mortgaged Property,

(e) damages suffered by Lender as a result of fraud or willful misrepresentation in connection with the Indebtedness by any of the Borrowers or any other person or entity acting on behalf of any of the Borrowers,

(f) amounts necessary to pay real estate taxes, special assessments, utility bills, Operating Expenses and insurance premiums with respect to the Mortgaged Property either paid by Lender and not reimbursed prior to, or remaining due or delinquent on, the Conveyance Date of each Section of the Property,

(g) any sums expended by Lender in fulfilling the obligations of any Borrower as lessor under any lease of any Section of the Property prior to the Conveyance Date of such Section of the Property,

(h) any security deposits of tenants not turned over to Lender prior to the Conveyance Date, and

(i) damages suffered by Lender as a result of misapplication or misappropriation of tax reserve accounts, tenant improvement reserve accounts, security deposits, prepaid rents or other similar sums paid to or held by any Borrower or any other entity or person in connection with the operation of the Mortgaged Property.

As used herein, "Conveyance Date" means (i) the later of (a) the date on which title vests in the purchaser at the foreclosure sale of a Section of the Property pursuant to the Lien Instrument or (b) the date on which a Borrower's statutory right of redemption shall expire or be waived or (ii) the date of the conveyance of such Sections of the Property to Lender and/or Co-Investor in lieu of foreclosure.

Notwithstanding the foregoing, the present partners in any of the present Borrowers and any present principal, shareholder, trustee, beneficiary, director, officer or advisor of any present partner of any present Borrower shall not have or incur any personal liability for the Recourse Obligations or for the repayment of the Indebtedness in the event that the limitations on liability shall become null and void as provided above. Excluded from the operation of this paragraph is any liability for fraud or willful misrepresentation pursuant to provision (e) above, upon the occurrence of which the Borrowers and the general partners of the Borrowers shall remain liable.

This Promissory Note, together with (i) a promissory note dated as of December 5, 1995 payable to Lender in the principal amount of $55,000,000, (ii) a promissory note dated as of December 5, 1995 in the principal amount of $55,000,000 payable to The Northwestern Mutual Life Insurance Company, and (iii) a promissory note of even date herewith in the principal amount of $35,000,000 payable to The Northwestern Mutual Life Insurance Company are secured PARI PASSU by instruments and agreements executed

and delivered by the Borrowers to The Northwestern Mutual Life Insurance Company and Principal Life Insurance Company, formerly known as Principal Mutual Life Insurance Company creating, among other things, legal and valid encumbrances on and an assignment of all of the Borrowers' interest in any leases of the Mortgaged Property. Terms used herein which are defined in such instruments or agreements and not otherwise defined herein have the same definition as in such instruments and agreements. In no event shall such documents be construed inconsistently with the terms of this Promissory Note, and in the event of any discrepancy between any such documents and this Promissory Note, the terms hereof shall govern. The proceeds of this Promissory Note are to be used for business, commercial, investment or other similar purposes, and no portion

thereof will be used for any personal, family or household use. This Promissory Note shall be governed by and construed in accordance with the laws of the state where the Mortgaged Property is located.

This Promissory Note may not be changed or terminated orally, but only by an agreement in writing and signed by the party against whom enforcement of any waiver, change, modification or discharge is sought. All of the rights, privileges and obligations hereunder shall inure to the benefit of the heirs, successors and assigns of the holder hereof and shall bind the heirs, successors and assigns of the undersigned.

If any provision of this Promissory Note shall, for any reason, be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, but this Promissory Note shall be construed as if such invalid or unenforceable provision had never been contained herein.

CALI HARBORSIDE (FEE)
ASSOCIATES L.P., a New Jersey
limited partnership

By: Mack-Cali Sub X, Inc., a Delaware
corporation, General Partner

By: /s/ Barry Lefkowitz (SEAL)

Barry Lefkowitz
Executive Vice President &
Chief Financial Officer

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CAL-HARBOR II & III URBAN
RENEWAL ASSOCIATES L.P., a New
Jersey limited partnership

By: Mack-Cali Sub X, Inc., a Delaware
corporation, General Partner

By: /s/ Barry Lefkowitz (SEAL)

Barry Lefkowitz
Executive Vice President &
Chief Financial Officer

CAL-HARBOR IV URBAN
RENEWAL ASSOCIATES L.P., a New
Jersey limited partnership

By: Mack-Cali Sub X, Inc., a Delaware
corporation, General Partner

By: /s/ Barry Lefkowitz (SEAL)

Barry Lefkowitz
Executive Vice President &
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CAL-HARBOR VI URBAN
RENEWAL ASSOCIATES L.P., a New
Jersey limited partnership

By: Mack-Cali Sub XI, Inc., a Delaware
corporation, General Partner

By: /s/ Barry Lefkowitz (SEAL)

Barry Lefkowitz
Executive Vice President &
Chief Financial Officer

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Exhibit 10.21

NML LOAN NO. C-332558

PROMISSORY NOTE

$35,000,000.00 Dated as of May 18, 2001

For value received, the undersigned, whether one or more in number and if more than one, then jointly and severally, herein called "Borrowers", promise to pay to the order of THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, a Wisconsin corporation, who, together with any subsequent holder of this Promissory Note, is hereinafter referred to as "Lender", at 720 E. Wisconsin Avenue, Milwaukee, WI 53202 or at such other place as Lender shall designate in writing, in coin or currency which, at the time or times of payment, is legal tender for public and private debts in the United States, the principal sum of THIRTY-FIVE MILLION and 00/100 DOLLARS ($35,000,000.00) or so much thereof as shall have been advanced from time to time plus interest on the outstanding principal balance at the rate and payable as follows:

Interest shall accrue from the date of advance until maturity at the rate of seven and forty-two hundredths percent (7.42%) per annum (the "Interest Rate"), computed on the basis of a 360-day year composed of twelve (12) 30-day months.

Accrued interest only on the amount advanced shall be paid on the first day of the month following the date of advance and on the first day of each and every month thereafter (in the amount of $216,416.67) until maturity. All installments shall be applied first in payment of interest, calculated monthly on the unpaid principal balance, and the remainder of each installment shall be applied in payment of principal. The entire unpaid principal balance plus accrued interest thereon shall be due and payable on January 1, 2006 (the "Maturity Date"). All such installments of principal and interest shall be paid by the Borrowers to the Lender in accordance with Lender's electronic wire transfer instructions.

Borrowers shall have the right, upon thirty (30) days advance written notice, to prepay this Promissory Note in full with a prepayment fee. This fee represents consideration to Lender for loss of yield and reinvestment costs. The fee shall be the greater of Yield Maintenance (as hereinafter defined) or one percent (1.0%) of the outstanding principal balance of this Promissory Note.

As used herein, "Yield Maintenance" means the amount, if any, by which

(i) the present value of the Then Remaining Payments (as hereinafter defined) calculated using a periodic discount rate (corresponding to the payment frequency under this Promissory Note) which, when compounded for such

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number of payment periods in a year, equals the sum of .25% and the per annum effective yield of the Most Recently Auctioned United States Treasury Obligation having a maturity date equal to the Maturity Date (or, if there is no such equal maturity date, then the linearly interpolated per annum effective yield of the two (2) Most Recently Auctioned United States Treasury Obligations having maturity dates most nearly equivalent to the Maturity Date) as reported by THE WALL STREET JOURNAL five (5) business days preceding the prepayment date; exceeds

(ii) the outstanding principal balance of this Promissory Note (exclusive of all accrued interest).

If such United States Treasury Obligation yields shall not be reported as of such time or the yields reported as of such time shall not be ascertainable, then the periodic discount rate shall be equal to the sum of .25% and the Treasury Constant Maturity Series yields reported, for the latest day for which such yields shall have been so reported, as of five (5) business days preceding the prepayment date, in Federal Reserve Statistical Release H. 15 (519) (or any comparable successor publication) for actively traded United States Treasury obligations having a constant maturity most nearly equivalent to the Maturity Date.

As used herein, "Then Remaining Payments" means payments in such amounts and at such times as would have been payable subsequent to the date of such prepayment in accordance with the terms of this Promissory Note.

As used herein, "Most Recently Auctioned United States Treasury Obligations" means the U. S. Treasury bonds, notes and bills with maturities of 30 years, 10

years, 5 years, 3 years, 2 years and 1 year which, as of the date the prepayment fee is calculated, were most recently auctioned by the United States Treasury.

Other capitalized terms used herein and not otherwise defined shall have the meanings opposite such terms as set forth in the Lien Instrument hereinafter referred to.

Upon the occurrence of an Event of Default (as such term is defined in the Lien Instrument hereinafter referred to) followed by the acceleration of the whole indebtedness evidenced by this Promissory Note, or a condemnation or sale under threat of condemnation of all or substantially all of the Mortgaged Property (as such term is defined in the Lien Instrument), the payment of such indebtedness will be deemed to be a voluntary prepayment hereof and such payment will, therefore, to the extent not prohibited by law, include the prepayment fee required under the prepayment in full privilege recited above.

Borrowers shall not have the right to make partial prepayments of this Promissory

Note, except as provided by, and in accordance with, the terms of the Lien Instrument or the Plaza II/III Notes (as defined in the Lien Instrument).

Borrowers acknowledge and agree that the Interest Rate hereunder shall be increased if certain financial statements and other reports are not furnished to Lender, all as described in more detail in the provision of the Lien Instrument entitled "FINANCIAL STATEMENTS".

All agreements between the Borrowers and the Lender, whether now existing or hereafter arising, and whether written or oral, are hereby limited so that in no contingency, whether by reason of demand for payment or acceleration of the maturity hereof or otherwise, shall the interest contracted for, charged or received by the Lender exceed the maximum amount permissible under applicable law. If, from any circumstance whatsoever, interest would otherwise be payable to the Lender in excess of the maximum lawful amount, the interest payable to the Lender shall be reduced to the maximum amount permitted under applicable law; and if, from any circumstance, the Lender shall ever receive anything of value deemed interest by applicable law in excess of the maximum lawful amount, an amount equal to any excessive interest shall, at the option of the Lender, be applied to the reduction of the principal hereof and not to the payment of interest or, if such excessive interest exceeds the unpaid balance of principal hereof, such excess shall be refunded to the Borrowers. This paragraph shall control all agreements between the Borrowers and the Lender.

This Promissory Note is secured by certain property (the "Mortgaged Property") in the City of Jersey City, County of Hudson, State of New Jersey described in an Amended and Restated Mortgage and Security Agreement (the "Lien Instrument") of even date herewith executed by Cali Harborside (Fee) Associates L.P., a New Jersey limited partnership, Cal-Harbor II & III Urban Renewal Associates L.P., a New Jersey limited partnership, Cal-Harbor IV Urban Renewal Associates L.P., a New Jersey limited partnership and Cal-Harbor VI Urban Renewal Associates L.P., a New Jersey limited partnership to THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY and PRINCIPAL LIFE INSURANCE COMPANY, formerly known as Principal Mutual Life Insurance Company (the "Co-Investor").

Upon the occurrence of an Event of Default (as defined in the Lien Instrument), the whole unpaid principal hereof and accrued interest shall, at the option of Lender, to be exercised at any time thereafter, become due and payable at once without notice, notice of the exercise of, and the intent to exercise, such option being hereby expressly waived.

All parties at any time liable, whether primarily or secondarily, for payment of indebtedness evidenced hereby, for themselves, their heirs, legal representatives, successors and assigns, respectively, expressly waive presentment for payment, notice of dishonor, protest, notice of protest, and diligence in collection; consent to the extension by Lender of the time of said payments or any part thereof; further consent that the real or

collateral security or any part thereof may be released by Lender, without in any way modifying, altering, releasing, affecting or limiting their respective liability or the lien of the Lien Instrument; and agree to pay reasonable attorneys' fees and expenses of collection in case this Promissory Note is placed in the hands of an attorney for collection or suit is brought hereon and any attorneys' fees and expenses incurred by Lender to enforce or preserve its rights under any of the Loan Documents (as such term is defined in the Lien Instrument) in any bankruptcy or insolvency proceeding.

Any principal, interest or other amounts payable under any of the Loan Documents, not paid when due (without regard to any notice and/or cure provisions contained in any of the Loan Documents), including principal becoming due by reason of acceleration by Lender of the entire unpaid balance of this Promissory Note, shall bear interest from the due date thereof until paid at the Default Rate. As used herein, "Default Rate" means the lower of a rate equal to the interest rate in effect at the time of the default as herein provided plus five percent (5.0%) per annum or the maximum rate permitted by law.

Notwithstanding any provision contained herein or in the Lien Instrument to the contrary, no personal liability shall be asserted or enforceable against (a) the partners of any of the Borrowers, or (b) any principal, shareholder, trustee, beneficiary, director, officer or advisor of any partner of any Borrower (collectively, the "Exculpated Parties") by the Lender in respect of the indebtedness evidenced hereby or secured by the Lien Instrument (collectively, the "Indebtedness"), this Promissory Note or the Lien Instrument or any other Loan Document or the making, issuance or transfer thereof, all such liability, if any, being expressly waived by the Lender and any successive holder of this Promissory Note and the Lien Instrument; and the Lender and any successive holder of this Promissory Note and the Lien Instrument shall accept this Promissory Note and the Lien Instrument upon the express condition that in the case of the occurrence of an Event of Default, the remedies of the Lender in its sole discretion shall, except as provided below, be limited to the Mortgaged Property or the proceeds from the sale of the Mortgaged Property and the proceeds realized by Lender in exercising its rights and remedies (i) under the Absolute Assignment (as defined in the Lien Instrument), (ii) under any of the other Loan Documents, and (iii) in any other collateral securing the Indebtedness. If such proceeds are insufficient to pay the Indebtedness, Lender and any successive holder of this Promissory Note will never institute any action, suit, claim or demand in law or in equity against the Exculpated Parties for or on account of such deficiency; PROVIDED, HOWEVER, that the provisions contained in this paragraph

(i) shall not in any way affect or impair the validity or enforceability of the Indebtedness or the Lien Instrument; and

(ii) shall not prevent Lender from seeking and obtaining a judgment solely against Borrowers, and Borrowers shall be personally jointly and severally liable, for the Recourse Obligations (as hereinafter defined); and

(iii) with respect solely to the Borrowers, shall not be applicable in the event of a violation of any of the provisions of the Lien Instrument following the caption entitled "DUE ON SALE" (I.E., Borrowers shall be personally liable for all of the Indebtedness in the event of such violation) (it is expressly agreed and understood that the Exculpated Parties shall not have or incur any personal liability with respect to this subsection [iii]); and

(iv) with respect solely to the Borrowers, shall not be applicable in the event of any breach or violation of the provisions of the Lien Instrument following the caption entitled "OTHER LIENS" (it is expressly agreed and understood that the Exculpated Parties shall not have or incur any personal liability with respect to this subsection [iv]); and

(v) with respect solely to the Borrowers, shall not be applicable in the event of any fraud or willful misrepresentation by any Borrower or any general partner of any Borrower regarding the Mortgaged Property, the making or delivery of any of the Loan Documents or in any materials or information provided by any Borrower or any general partner of any Borrower in connection with the Indebtedness (it is expressly agreed and understood that the Exculpated Parties shall not have or incur any personal liability with respect to this subsection [v]).

As used herein, the term "Recourse Obligations" means

(a) rents and other income regardless of type or source of payment (including, but not limited to, CAM charges, lease termination payments, refunds of any type, prepayment of rents, settlements of litigation or settlements of past due rents) from each Section of the Property from and after the occurrence of any default under the Loan Documents remaining uncured prior to the Conveyance Date, which rents and other income have not been applied to the payment of principal and interest on this Promissory Note or to reasonable Operating Expenses of the Property,

(b) amounts necessary to repair any damage to the Mortgaged Property resulting from waste or caused by the intentional acts or omissions of

any of the Borrowers or those acting on behalf of any of the Borrowers (PROVIDED, HOWEVER, if Borrowers' failure to comply with the Maintenance of Property obligations is due to lack of funds before any partnership distributions, then the same shall not constitute waste due to intentional acts or omissions),

(c) insurance loss proceeds and condemnation award proceeds released to any of the Borrowers but not applied in accordance with any agreement between any of the Borrowers and Lender as to their application,

(d) amounts necessary to pay costs of investigation and clean-up of Hazardous

Substances (as such term is defined in the Environmental Indemnity Agreement of even date herewith) on or affecting the Mortgaged Property,

(e) damages suffered by Lender as a result of fraud or willful misrepresentation in connection with the Indebtedness by any of the Borrowers or any other person or entity acting on behalf of any of the Borrowers,

(f) amounts necessary to pay real estate taxes, special assessments, utility bills, Operating Expenses and insurance premiums with respect to the Mortgaged Property either paid by Lender and not reimbursed prior to, or remaining due or delinquent on, the Conveyance Date of each Section of the Property,

(g) any sums expended by Lender in fulfilling the obligations of any Borrower as lessor under any lease of any Section of the Property prior to the Conveyance Date of such Section of the Property,

(h) any security deposits of tenants not turned over to Lender prior to the Conveyance Date, and

(i) damages suffered by Lender as a result of misapplication or misappropriation of tax reserve accounts, tenant improvement reserve accounts, security deposits, prepaid rents or other similar sums paid to or held by any Borrower or any other entity or person in connection with the operation of the Mortgaged Property.

As used herein, "Conveyance Date" means (i) the later of (a) the date on which title vests in the purchaser at the foreclosure sale of a Section of the Property pursuant to the Lien Instrument or (b) the date on which a Borrower's statutory right of redemption shall expire or be waived or (ii) the date of the conveyance of such Sections of the Property to Lender and/or Co-Investor in lieu of foreclosure.

Notwithstanding the foregoing, the present partners in any of the present Borrowers and any present principal, shareholder, trustee, beneficiary, director, officer or advisor of any present partner of any present Borrower shall not have or incur any personal liability for the Recourse Obligations or for the repayment of the Indebtedness in the event that the limitations on liability shall become null and void as provided above. Excluded from the operation of this paragraph is any liability for fraud or willful misrepresentation pursuant to provision (e) above, upon the occurrence of which the Borrowers and the general partners of the Borrowers shall remain liable.

This Promissory Note, together with (i) a promissory note dated as of December 5, 1995 payable to Lender in the principal amount of $55,000,000, (ii) a promissory note dated as of December 5, 1995 in the principal amount of $55,000,000 payable to Principal Life Insurance Company, formerly known as Principal Mutual Life Insurance Company, and (iii) a promissory note of even date herewith in the principal amount of $35,000,000 payable to Principal Life Insurance Company, formerly known as Principal

Mutual Life Insurance Company are secured PARI PASSU by instruments and agreements executed and delivered by the Borrowers to The Northwestern Mutual Life Insurance Company and Principal Life Insurance Company, formerly known as Principal Mutual Life Insurance Company creating, among other things, legal and valid encumbrances on and an assignment of all of the Borrowers' interest in any leases of the Mortgaged Property. Terms used herein which are defined in such instruments or agreements and not otherwise defined herein have the same definition as in such instruments and agreements. In no event shall such documents be construed inconsistently with the terms of this Promissory Note, and in the event of any discrepancy between any such documents and this Promissory Note, the terms hereof shall govern. The proceeds of this Promissory

Note are to be used for business, commercial, investment or other similar purposes, and no portion thereof will be used for any personal, family or household use. This Promissory Note shall be governed by and construed in accordance with the laws of the state where the Mortgaged Property is located.

This Promissory Note may not be changed or terminated orally, but only by an agreement in writing and signed by the party against whom enforcement of any waiver, change, modification or discharge is sought. All of the rights, privileges and obligations hereunder shall inure to the benefit of the heirs, successors and assigns of the holder hereof and shall bind the heirs, successors and assigns of the undersigned.

If any provision of this Promissory Note shall, for any reason, be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, but this Promissory Note shall be construed as if such invalid or unenforceable provision had never been contained herein.

CALI HARBORSIDE (FEE)
ASSOCIATES L.P., a New Jersey
limited partnership

By: Mack-Cali Sub X, Inc., a Delaware corporation, General Partner

By: /s/ Barry Lefkowitz (SEAL)

Barry Lefkowitz
Executive Vice President &
Chief Financial Officer

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CAL-HARBOR II & III URBAN
RENEWAL ASSOCIATES L.P., a New
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Barry Lefkowitz
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Chief Financial Officer

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Exhibit 10.22

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PURCHASE AND SALE AGREEMENT

BETWEEN

ROBERT MARTIN COMPANY, LLC

AND

5/6 SKYLINE REALTY L.L.C.

DATED AUGUST 3, 2001

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PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (the "AGREEMENT") made this 3rd day of August, 2001 between ROBERT MARTIN COMPANY, LLC, a limited liability company organized under the laws of the State of New York, having an address at 100 Clearbrook Road, Elmsford, New York 10523 ("SELLER") and 5/6 SKYLINE REALTY L.L.C., a New York limited liability company, having an address c/o Mack-Cali Realty Corporation at 11 Commerce Drive, Cranford, New Jersey 07016 ("PURCHASER").

RECITALS

A. WHEREAS, pursuant to the Amended and Restated Agreement of Limited Partnership of Madeira-RMC L.P., dated as of September 1, 1994 (the "PARTNERSHIP AGREEMENT"), Seller, Madeira Management Company, Inc. ("MADEIRA") and Merlot Management Company, Inc. ("MERLOT" and, together with Madeira, "MASSERY") continued the existence of a limited partnership under the laws of the State of New York under the name of Madeira-RMC L.P. (the "PARTNERSHIP") for the purpose, among others, of owning and developing the real property located in the Town of Mt. Pleasant, County of Westchester, and State of New York, commonly known as 5 and 6 Skyline Drive in Mid-Westchester Executive Park and more particularly described on EXHIBIT "A" annexed hereto and made a part hereof (the "PROPERTY").

B. WHEREAS, in accordance with the terms of the Partnership Agreement, Massery has offered to purchase and acquire from Seller all of Seller's right, title and interest in and to the Partnership (collectively, the "INTEREST") and Seller has exercised its right to cause Massery to sell, assign, transfer and convey to Seller all of Massery's right, title and interest in and to the Partnership (collectively, the "MASSERY INTEREST");

C. WHEREAS, Purchaser wants to acquire the Property to facilitate a "like-kind" exchange under Section 1031 of the Internal Revenue Code of 1986, as amended (the "CODE"), subject to the condition that Purchaser acquire the Massery Interest (in the manner described below) and the Interest in simultaneous closings;

D. WHEREAS, Seller neither wishes nor intends to acquire the Massey Interest for its own account but has agreed to act as Purchaser's agent in acquiring the Massey Interest by serving as Purchaser's nominee for the limited

purpose of acquiring title to the Massey Interest in Seller's name, for the sole and absolute benefit of Purchaser, pursuant to that certain Nominee Agreement dated August 3, 2001 (the "NOMINEE AGREEMENT");

E. WHEREAS, pursuant to the terms of the Partnership Agreement, Massery shall sell, assign, transfer and convey to Seller, and Seller has agreed in accordance with the Nominee Agreement to purchase and acquire from Massery on behalf of Purchaser (who is solely

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responsible for funding the acquisition of the Massery Interest) simultaneously with its sale of the Interest pursuant to this Agreement, title to the Massery Interest (the "MASSERY SALE"); and

F. WHEREAS, Seller desires to sell, assign, transfer and convey to Purchaser and Purchaser desires to purchase and acquire from Seller, the Interest, upon, and subject to, the terms, covenants, and conditions herein set forth, including the condition that the acquisition of the Massery Interest close simultaneously herewith.

NOW, THEREFORE, in consideration of Ten Dollars ($10.00) and other good and valuable consideration, the mutual receipt and legal sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, do hereby agree as follows:

1. SUBJECT OF CONVEYANCE.

1.1 Seller hereby agrees to sell, assign, transfer and convey to Purchaser, and Purchaser agrees to purchase and acquire from Seller, the Interest upon, and subject to, the terms, covenants and conditions set forth in this Agreement.

2. PURCHASE PRICE AND TERMS OF PAYMENT.

2.1 The total purchase price payable (the "PURCHASE PRICE") to Seller for the Interest is Four Million Four Hundred Twenty Two Thousand and 00/100 ($4,422,000.00) Dollars, which amount shall be subject to adjustment and proration as set forth on SCHEDULE "A" attached hereto and made a part hereof. Two Hundred Seventy Six Thousand Two Hundred and Seventy Seven and 23/100 ($276,277.23) Dollars of the Purchase Price, subject to adjustment and proration as set forth on SCHEDULE "A" attached hereto and made a part hereof (the "SELLER AMOUNT") shall be payable, by wire transfer of federal funds, to Seller on the Closing Date (as defined in SECTION 5) and the remaining portion of the Purchase Price shall be payable, by wire transfers of federal funds, to such persons and in such amounts (and in accordance with direction letters that Seller shall have previously provided to Purchaser and which are reasonably satisfactory to Purchaser) as set forth on SCHEDULE "A" attached hereto and made a part hereof.

3. INDEMNITY BY SELLER.

3.1 As a material inducement for Purchaser to enter into this Agreement and purchase the Interest as provided herein, Seller hereby covenants and agrees to indemnify, defend and hold Purchaser, its successors and assigns, harmless, from and against any and all claims, liabilities, losses, deficiencies and damages, as well as reasonable expenses (including attorney's, consulting and engineering fees), and interest and penalties related thereto, incurred by Purchaser or its successors or assigns, by reason of or resulting from any breach, inaccuracy, incompleteness or

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non-fulfillment of the following representations, warranties, covenants and agreements of Seller contained in this SECTION 3.1:

(a) Seller is a duly organized and validly existing limited liability company organized under the laws of the State of New York, is duly authorized to transact business in the State of New York, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to sell the Interest in accordance with the terms and conditions hereof. All necessary actions of Seller to confer such power and authority upon the persons

executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(b) This Agreement, when duly executed and delivered, will be the legal, valid and binding obligation of Seller, enforceable in accordance with the terms of this Agreement. The performance by Seller of its duties and obligations under this Agreement and the documents and instruments to be executed and delivered by it hereunder will not conflict with, or result in a breach of, or default under, any provision of any of the organizational documents of Seller or the Partnership or any agreements, instruments, decrees, judgments, injunctions, orders, writs, laws, rules or regulations, or any determination or award of any court or arbitrator, to which Seller or the Partnership is a party or by which its assets are or may be bound.

(c) Annexed hereto as SCHEDULE "B" is a true, complete and correct copy of the Partnership Agreement. Annexed hereto as SCHEDULE "C" is a filed copy of the certificate of limited partnership of the Partnership.

(d) Seller has good and marketable title to the entire Interest, free of all liens and encumbrances whatsoever.

(e) The Partnership is duly organized and validly existing limited partnership organized under the laws of the State of New York, is duly organized to transact business in the State of New York, and has all requisite power and authority to own the Property and to conduct and transact its business.

(f) The financial statements, including the income and expense statements and the balance sheets of the Partnership and its affiliates with respect to the Property only, all of which are attached hereto as SCHEDULE "D" (collectively, the "PROPERTY FINANCIALS"), are, to the knowledge of Seller, true, correct and complete in all material respects and represent the financial position of the Partnership as of such dates and the results of operations and cash flows of the Partnership for such respective periods.

(g) Neither Seller nor, to the knowledge of Seller, the Partnership have made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by creditors, suffered the appointment of a receiver to take possession of all, or substantially all, of their respective assets, suffered the attachment or other judicial seizure of all, or substantially all, of their respective assets, admitted in writing its

inability to pay their debts as they come due or made an offer of settlement, extension or composition to their creditors generally.

(h) Seller and, to the knowledge of Seller, the Partnership have paid all Taxes (as hereinafter defined) due and payable prior to the Closing and timely filed all returns and reports required to be filed prior to the Closing with respect to the Partnership and the ownership and operation of the Interest and the Property. Each such tax return or report is true and correct in all material respects. Seller and, to the knowledge of Seller, the Partnership have paid or provided for a reserve for all Taxes related to the period ending on the Closing Date but required to be paid after the Closing Date with respect to the Partnership, the Interest and the operation of the Property. To the knowledge of Seller, there are no audits or other proceedings by any governmental authorities pending or threatened with respect to the Taxes resulting from the ownership and operation of the Property. To the knowledge of Seller, no assessment of Taxes is proposed against the Partnership or the Interest. To the knowledge of Seller, neither Seller nor the Partnership are party to, and have no liability under, any indemnification, allocation or sharing agreement with respect to Taxes. "TAXES" means all federal, state, county, local, foreign and other taxes of any kind whatsoever (including, without limitation, income, profits, premium, estimated, excise, sales, use, occupancy, gross receipts, franchise, ad valorem, severance, capital levy, production, transfer, license, stamp, environmental, withholding, employment, unemployment compensation, payroll related and property taxes, import duties and other governmental charges or assessments), whether or not measured in whole or in part by net income, and including deficiencies, interest, additions to tax or interest, and penalties with respect thereto, and including expenses associated with contesting any proposed adjustment related to any of the foregoing.

(i) There are no actions, suits, labor disputes, litigation or proceedings currently pending or, to the knowledge of Seller, threatened against or related to the Partnership or the Interest, nor does Seller know of any basis for any such action.

(j) The Partnership has never maintained, adopted or established,

contributed or been required to contribute to, or otherwise participated in or been required to participate in, a "multiemployer plan," as defined in Section 3(37) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Partnership has not committed itself, orally or in writing to provide or cause to be provided to any person any payments or provision of any "welfare" or "pension" benefits (as defined in Sections 3(l) and 3(2) of ERISA), or to provide or cause to be provided any severance or other post-employment benefit, salary continuation, termination, disability, death, retirement, health or medical benefit to any person (including, without limitation, any former or current employee), or adopted any 401(k) savings plans.

(k) To the best knowledge of Seller, and except as disclosed in those certain environmental reports more fully described on SCHEDULE "E" attached hereto, the Property is free of the presence of Hazardous Substances (as defined below), there have been no releases of Hazardous Substances on the Property, the Property has not at any time been used for the generation, transportation, management, handling, treatment, storage, manufacture, emission, disposal or deposit of any Hazardous Substances or fill or other materials containing Hazardous Substances in

excess of levels permitted under applicable law and the Property is in compliance with all applicable federal, state and local environmental laws. "HAZARDOUS SUBSTANCES" means any hazardous, industrial, toxic or harmful solvent, substance, waste, material, pollutant or contaminant (including, without limitation, asbestos, lead-based paint, polychlorinated biphenyls, petroleum products, flammable explosives, volatile hydrocarbons, radioactive materials, infectious substances or raw materials which include hazardous constituents) or any other substance which is designated as hazardous or toxic under any federal, state or local legislation applicable to the Property or is defined as hazardous, dangerous or toxic by any governmental authority having jurisdiction over the Property.

(l) To the best knowledge of Seller, there are no leases demising to any party all or any part of the Property except for those leases demised to those tenants (each, a "TENANT") set forth on SCHEDULE "F" attached hereto.

(m) The Interest and the Massery Interest (i) together constitute one hundred (100%) percent of all of the ownership interests in the Partnership, (ii) are fully owned by Madeira, Merlot and Seller, and (iii) are not pledged as security. Other than the Nominee Agreement and any documents in connection with the Massery Sale, there are no outstanding options, warrants or other rights or commitments of any kind to purchase any interest or other securities of the Partnership. No securities, agreement or obligation of the Partnership with right of conversion into interests of the Partnership are outstanding. The Partnership has no subsidiaries or affiliates, nor any interest in any partnership, limited liability company, other joint venture or corporation.

3.2 The provisions of this SECTION 3 shall survive the Closing for one (1) year. Anything in this Agreement to the contrary notwithstanding, the maximum aggregate liability of Seller for Seller's breaches of representations and warranties contained in this SECTION 3 shall not exceed the Seller Amount. Notwithstanding the foregoing, however, Purchaser hereby expressly waives, relinquishes and releases any right or remedy available to it at law, in equity or under this Agreement to make a claim against Seller for damages that Purchaser may incur, or to rescind the transactions contemplated hereby as the result of any of Seller's representations or warranties contained in this Section 3 being untrue, inaccurate or incorrect if Purchaser knew or is deemed to know that such representation or warranty was untrue, inaccurate or incorrect at the time of the Closing.

4. REPRESENTATIONS AND WARRANTIES OF PURCHASER.

4.1 As a material inducement for Seller to enter into this Agreement and sell the Interest as provided herein, Purchaser hereby warrants and represents the following:

(a) Purchaser is a duly organized and validly existing limited liability company organized under the laws of the State of New York, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to acquire the Interest in accordance with the terms and

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conditions hereof. All necessary actions to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(b) This Agreement, when duly executed and delivered, will be the legal, valid and binding obligation of Purchaser, enforceable in accordance with the terms of this Agreement. The performance by Purchaser of its duties and obligations under this Agreement and the documents and instruments to be executed and delivered by it hereunder will not conflict with, or result in a breach of, or default under, any provision of any of the organizational documents of Purchaser or any agreements, instruments, decrees, judgments, injunctions, orders, writs, laws, rules or regulations, or any determination or award of any court or arbitrator, to which Purchaser is a party or by which its assets are or may be bound.

5. CLOSING.

5.1 The consummation of the transactions contemplated hereunder (the "CLOSING") shall take place in the New York City metropolitan area simultaneously with the closing of the Massery Sale (the "CLOSING DATE").

5.2 On the Closing Date, Seller, at its sole cost and expense, will deliver, or cause to be delivered, to Purchaser the following documents:

(a) A duly executed and acknowledged assignment and assumption of the Interest (the "ASSIGNMENT OF INTEREST"), to Purchaser or its designee, as assignee.

(b) Affidavits and other instruments, including but not limited to all consents, resolutions, organizational documents of Seller and Seller's general partner including operating agreements, filed copies of limited liability certificates, articles of organization, and good standing certificates, reasonably requested by Purchaser and the Title Company evidencing the power and authority of Seller to enter into this Agreement and any documents to be delivered hereunder, and the enforceability of same.

(c) A certificate indicating that the representations and warranties of Seller made in this Agreement are true and correct as of the Closing Date, or if there have been any changes, a description thereof.

(d) A certificate signed by an officer, manager or member of Seller to the effect that Seller is not a "foreign person" as that term is defined in Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended (the "CODE"), in order to avoid the imposition of the withholding tax payment pursuant to Section 1445 of the Code.

(e) All such transfer and other tax declarations and returns and information returns, duly executed and sworn to by Seller as may be required of Seller by law in connection with the

conveyance of the Interest to Purchaser, including but not limited to, Internal Revenue Service forms.

(f) A statement setting forth the Purchase Price with all adjustments and prorations shown thereon.

(g) Such other documents as may be reasonably required or appropriate to effectuate the consummation of the transactions contemplated by this Agreement.

5.3 On the Closing Date, Purchaser, at its sole cost and expense, will deliver, or cause to be delivered, to Seller the following documents:

(a) The Purchase Price, net of adjustments and prorations, by certified or bank check or by wire transfer pursuant to directions given by Seller to Purchaser no later than three (3) days prior to Closing.

(b) A duly executed and acknowledged Assignment of Interest.

(c) A certificate indicating that the representations and warranties of Purchaser made in this Agreement are materially true and correct as of the Closing Date, or if there have been any material changes, a description thereof.

(d) Such other documents as may be reasonably required or appropriate to effectuate the consummation of the transactions contemplated by this Agreement.

5.4 Seller shall pay all state or county documentary stamps and transfer taxes, if any imposed with respect to the sale of the Interest. Each party shall be responsible for its own attorney's fees. The provisions of this SECTION 5.4 shall survive the Closing.

5.5 Notwithstanding anything contained herein to the contrary, if the Massery Sale shall fail to close on the Closing Date, then this Agreement shall automatically terminate without any further action required by the parties and shall be of no further force and effect, except with regard to (i) those provisions which expressly survive any termination of this Agreement and (ii) those claims for breach hereof which are being pursued by either or both of the parties hereto.

6. ASSIGNMENT.

6.1 This Agreement may not be assigned by Seller or Purchaser; PROVIDED, HOWEVER, that Purchaser may assign this Agreement to any directly or indirectly wholly-owned subsidiary or subsidiaries of Purchaser, any "qualified intermediary" (as such term is defined in Treasury Regulation section 1.1031(k)-1(g)(iii)), any "exchange accommodation titleholder" (as such term is defined in Revenue Procedure 2000-37, 2000-40-IRB) or any other accommodation or other party in connection with facilitating a "like-kind" exchange under section 1031 of the Code (any such permitted assignees, a "PERMITTED ASSIGNEE"). Any other assignment or attempted

assignment of this Agreement by Purchaser or Seller shall constitute a default by such party hereunder and shall be deemed null and void and of no force and effect. In addition, at Closing, Purchaser shall have the right to cause Seller to direct the Interest and other closing instruments to such party as Purchaser shall direct. No assignment or direction of the closing instruments shall relieve Purchaser from Purchaser's obligations under this Agreement.

7. BROKER.

7.1 Purchaser and Seller represent and warrant that they have not dealt with any brokers, finders or salesmen, in connection with this transaction, and agree to indemnify, defend and hold each other harmless from and against any and all loss, cost, damage, liability or expense, including reasonable attorneys' fees, which either party may sustain, incur or be exposed to by reason of any breach of the foregoing representation and warranty. The provisions of this Section shall survive the Closing or other termination of this Agreement.

8. CASUALTY LOSS.

8.1 The Partnership and/or Seller shall maintain fire and extended coverage insurance policies with respect to the Real Property (the "POLICY") in effect until the time of the Closing which is at least equivalent in all material respects to the insurance policies covering the Property as of the date hereof.

8.2 If at any time prior to the Closing Date any portion of the Property is destroyed or damaged as a result of fire or any other casualty (a "CASUALTY"), Seller shall promptly give written notice ("CASUALTY NOTICE") thereof to Purchaser along with Seller's estimate, given in good faith, of the cost to repair as a result of the Casualty (the "REPAIR COST"). If the Repair Cost is in excess of One Million Four Hundred and Seventy Four Thousand ($1,474,000.00) Dollars, then within ten (10) days after the receipt of the Casualty Notice, Purchaser shall have the right, at its sole option, of terminating this Agreement by written notice to Seller given within ten (10) days after receipt of the Casualty Notice.

9. CONDEMNATION.

9.1 In the event that prior to Closing, Seller shall become aware of the institution or threatened institution of any proceedings, judicial, administrative or otherwise, by eminent domain or otherwise, which propose to affect a material portion of the Property, Seller shall give notice (a "CONDEMNATION NOTICE") to Purchaser promptly thereafter. Within ten (10) days

following receipt of the Condemnation Notice, Purchaser shall have the right and option to terminate this Agreement by giving Seller written notice thereof. Any damage to or destruction of the Property as a result of a taking by eminent domain shall be deemed "material" for purposes of this SECTION 9 if the estimate of the damage, which estimate shall be performed by an insurance adjuster and Purchaser's architect, shall exceed One Hundred Thousand ($100,000.00)

Dollars. Should Purchaser so terminate this Agreement in accordance with this SECTION 9, neither party shall have any further liability or obligations to the other.

10. CONFIDENTIALITY.

10.1 Without the express written consent of Purchaser, Seller hereby covenants not to disclose this Agreement or any of the terms, conditions or other facts contained herein (other than the professionals involved in the transaction herein contemplated or any party otherwise involved in the respective businesses of either party hereto), or to issue any press release or public statement related to the transaction contemplated by this Agreement, unless required to do so by applicable law or court order, PROVIDED, HOWEVER, if Purchaser issues any such press release or public statement other than one which Purchaser is required to issue or make by court order or applicable law (including all rules and regulations of the Securities Exchange Commission or any public stock or securities exchange), then Seller shall be allowed to issue a similar press release or public statement which shall be limited to such facts and information as are set forth in Purchaser's press release or public statement.

11. LEASING MATTERS.

11.1 Seller and/or the Partnership shall be solely responsible for the payment of all brokerage commissions and fees incurred in effecting all leases at the Property ("LEASES") and with respect to any extensions, expansions or renewals thereof which have been exercised by Tenants prior to the Closing Date, and Purchaser shall have no liability or obligation (either individually or as a partner in the Partnership) with respect to the same. Seller shall have no liability or obligation with respect to any other brokerage commissions or fees which may become payable with respect to such Leases.

11.2 Seller shall be responsible to pay for the performance of all of the obligations of the landlord under the Leases which under the terms of such Leases are required to be performed by the landlord prior to the Closing.

11.3 Seller shall use commercially reasonable efforts to obtain and deliver to Purchaser, prior to the Closing Date, from each Tenant an estoppel letter ("ESTOPPEL") stating (i) whether any uncured defaults exist under the Lease; (ii) whether the Leases are in full force and effect; and (iii) any such other items as are reasonably requested by Seller and Purchaser.

11.4 This SECTION 11 shall survive the Closing.

12. LIKE-KIND EXCHANGE.

12.1 If Purchaser desires to use the Property in a "like-kind" exchange transaction pursuant to Section 1031 of the Code, Seller agrees to cooperate and assist Purchaser in all

reasonable respects (at no cost to Seller other than incidental attorneys' fees relating to reviewing the exchange documents) in order that the exchange so qualifies as a "like-kind" exchange under Section 1031 of the Code and the Treasury Regulations promulgated, or to be promulgated, thereunder, provided that such cooperation and assistance does not require Seller to incur any material obligations. Purchaser hereby agrees to indemnify, defend and hold Seller, and its respective stockholders, directors, officers, agents, servants,

and employees harmless from and against all losses, obligations, costs, expenses, damages, claims or liabilities in connection with or arising from the execution of any exchange documents by Seller or the failure of Purchaser to consummate the exchange, or otherwise relating to the potential exchange, provided Seller has performed its obligations under this SECTION 12 in all material respects. This provisions of this SECTION 12 shall survive the Closing.

13. NOTICE.

13.1 All notices, demands, requests, or other writings (a "NOTICE") in this Agreement provided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other, shall be in writing and shall be delivered by depositing the same with any nationally recognized overnight delivery service, with all transmittal fees prepaid, properly addressed, and sent to the following addresses:

If to Purchaser:	5/6 Skyline Realty L.L.C. c/o Mack-Cali Realty Corporation 11 Commerce Drive Cranford, New Jersey 07016 Attn: Roger W. Thomas, Esq. (908) 272-8000 (tele.) (908) 497-0485 (fax)
with a copy to:	Pryor Cashman Sherman & Flynn LLP 410 Park Avenue New York, New York 10022 Attn.: John P. Napoli, Esq. (212) 326-0854 (tele.) (212) 326-0806 (fax)
If Seller:	Robert Martin Company, LLC 100 Clearbrook Road Elmsford, New York 10523 Attn.: Lloyd I. Roos, Esq. (914) 593-7918 (tele.) (914) 592-5486 (fax)

with a copy to:	Robert Martin Company, LLC 100 Clearbrook Road Elmsford, New York 10523 Attn.: Mr. Martin S. Berger (914) 592-4800 (tele.) (914) 592-5486 (fax)

or to such other address as either party may from time to time designate by written notice to the other. Notices given by overnight delivery service as aforesaid shall be deemed received and effective on the first business day following such dispatch. Notices may be given by counsel for the parties described above, and such Notices shall be deemed given by said party, for all purposes hereunder.

13. MISCELLANEOUS

13.1 This Agreement (a) constitutes the entire agreement between the parties, (b) supersedes all prior negotiations and discussions between the parties, (c) cannot be amended, waived or terminated orally, but only by an agreement in writing signed by the party to be charged, (d) shall be interpreted and governed by the laws of the State of New York without regard to conflicts of laws principals, and (e) shall be binding upon the parties hereto and their respective successors and assigns.

13.2 The caption headings in this Agreement are for convenience only and are not intended to be part of this Agreement and shall not be construed to modify, explain or alter any of the terms, covenants or conditions herein contained. If any term, covenant or condition of this Agreement is held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision.

13.3 Each party shall, from time to time, execute, acknowledge and deliver such further instruments, and perform such additional acts, as the other party may reasonably request in order to effectuate the intent of this Agreement. Nothing contained in this Agreement shall be deemed to create any rights or obligations of partnership, joint venture or similar association between Seller

and Purchaser. This Agreement shall be given a fair and reasonable construction in accordance with the intentions of the parties hereto, and without regard to or aid of canons requiring construction against Seller, Purchaser or the party whose counsel drafted this Agreement.

13.4 This Agreement shall not be effective or binding until such time as it has been executed and delivered by all parties hereto. This Agreement may be executed by the parties hereto in counterparts, all of which together shall constitute a single Agreement.

13.5 All references herein to any section, schedule or exhibit shall be to the sections of this Agreement and to the schedules and exhibits annexed hereto unless the context clearly

dictates otherwise. All of the schedules and exhibits annexed hereto are, by this reference, incorporated herein.

13.6 In the event of any litigation or alternative dispute resolution between Seller and Purchaser in connection with this Agreement or the transaction contemplated herein, the non-prevailing party in such litigation or alternative dispute resolution shall be responsible for payment of all expenses and reasonable attorneys' fees incurred by the prevailing party.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ROBERT MARTIN COMPANY, LLC, a New York limited liability company

By: /s/ Robert F. Weinberg

Name: Robert F. Weinberg
Title: Manager

5/6 SKYLINE REALTY L.L.C., a New York limited liability company

By: Mack-Cali Realty, L.P., a Delaware limited partnership, its sole member

By: Mack-Cali Realty Corporation, a Delaware corporation, its general partner

By: /s/ Roger W. Thomas

Roger W. Thomas,
Executive Vice President

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Exhibit 10.23

PARTNERSHIP INTEREST PURCHASE AGREEMENT

THIS PARTNERSHIP INTEREST PURCHASE AGREEMENT (this "PURCHASE AGREEMENT") is made and entered into this 3rd day of August, 2001 (the "EFFECTIVE DATE"), by and between MADEIRA-RMC L.P., a New York limited partnership (the "Partnership"), MADEIRA MANAGEMENT COMPANY, INC., a Delaware corporation ("MADEIRA"), MERLOT MANAGEMENT COMPANY, INC., a Delaware corporation ("MERLOT") (Madeira and Merlot are collectively referred to herein as the "SELLERS"), ROBERT MARTIN COMPANY, LLC, a New York limited liability company, f/k/a Robert Martin Company, a New York general partnership ("RMC"), and RMC as agent for 5/6 Skyline Realty L.L.C., a New York limited liability company ("PURCHASER").

WHEREAS, the Partnership is a limited partnership duly organized, validly existing, and in good standing under the laws of the State of New York;

WHEREAS, the Partnership owns certain real property located in Westchester County, New York, commonly known as No. 5 and No. 6 Skyline Drive, Mid-Westchester Executive Park, Westchester, New York, as more fully described in EXHIBIT A attached hereto and made a part hereof;

WHEREAS, Merlot owns a forty-nine and seven tenths percent (49.7%) general partnership interest and Madeira owns a twenty and three tenths percent (20.3%) general partnership interest and RMC owns a thirty percent (30%) limited partnership interest in the Partnership;

WHEREAS, the partners in the Partnership are implementing the buy/sell provisions of section 8.01 of the Partnership's Amended and Restated Agreement of Limited Partnership dated as of September 1, 1994 (the "Partnership Agreement") pursuant to the terms of this Agreement;

WHEREAS, Madeira and Merlot have initiated the buy/sell provisions by sending a Purchase Offer (as defined in the Partnership Agreement) dated March 8, 2001 (the "Offer Date") to RMC, and the parties have thereafter determined that Madeira and Merlot are the Sellers and RMC, as agent for 5/6 Skyline Realty L.L.C., is the Purchaser;

WHEREAS, Purchaser desires to purchase from Sellers, and Sellers desire to sell to Purchaser, all of Sellers' rights, title, and interest in the Partnership (the "INTEREST"); and

WHEREAS, the purchase of the Interest by Purchaser shall occur in accordance with the terms and conditions specified herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and the other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. PURCHASE AND SALE OF INTEREST.

a. Upon the terms and conditions hereinafter set forth, Sellers agree to sell, grant and convey, and Purchaser agrees to purchase and accept, the Interest (as defined in the Recitals to this Purchase Agreement) for the amount set forth below, free and clear of all liens, charges, restrictions, encumbrances and security interests of any kind. After the purchase of the Interest, RMC and Purchaser shall collectively hold one hundred percent (100%) of the partnership interests in the Partnership.

b. The net purchase price for the Interest following the payment of Partnership debts and obligations and subject to adjustments and prorations as provided for herein shall be Five Million Seven Hundred Seventy-Three Thousand, Eight Hundred Thirty-One and 70/100 Dollars ($5,773,831.70) (the "PURCHASE PRICE") in cash, by bank wire transfer of immediately available federal funds. The methodology for determining the Purchase Price is attached hereto as EXHIBIT B.

c. Sellers acknowledge that Purchaser is acquiring the Interest to own, as of the Closing, the following (collectively, the "PROPERTY"):

(i) that certain real property located in Westchester County, New York, commonly known as No. 5 and No. 6 Skyline Drive, Mid-Westchester Executive Park, Westchester, New York, as more fully described in EXHIBIT A attached hereto and made a part hereof (hereinafter referred to as the "LAND"), together with all improvements situated thereon (the "IMPROVEMENTS"), all fixtures used in the operation of the Land or the

Improvements, and all other appurtenances to the Land;

(ii) all personal property located on the Land and all supplies and inventory and replacements thereof now or hereafter affixed to and/or located at the Land and used in connection with the ownership, management, operation, maintenance or repair of the Land and the Improvements (collectively, the "PERSONAL PROPERTY"); and

(iii) all intangible property relating to the Land, Improvements or the Personal Property, including, without limitation, the following (collectively, the "INTANGIBLE PROPERTY"): (A) all contracts and agreements, documents and instruments, including, without limitation, all leasing, service, warranty, guaranty, management, supply, employment, and maintenance agreements relating to, or required in connection with, the full use, operation, occupancy, ownership and enjoyment of the Land, the Improvements or the Personal Property or the business operations of the Partnership (collectively, the "AGREEMENTS"); (B) all certificates, permits, licenses, approvals or other authorizations required in connection with the ownership, use, operation or maintenance of the Land, the Improvements or the Personal Property or the business operations of the Partnership, and any future development or redevelopment thereof, from any governmental or quasi-governmental authority having jurisdiction over the Land or the Partnership (collectively, the "PERMITS AND LICENSES"); and (C) all right, title and interest in all warranties, plans and specifications for the Improvements and all tenant spaces, trade names, and development rights related to the business operations of the Partnership, the Land, the Improvements or the Personal Property.

2. INDEBTEDNESS OF THE PARTNERSHIP.

a. The Partnership is indebted to Madeira and Merlot in the principal amount of Six Million Two Hundred Sixty Thousand, Four Hundred Thirty-Four and no/100 Dollars ($6,260,434) together with interest thereon in the amount of Two Hundred Thirty-One Thousand Two Hundred Thirty-Five and no/100 Dollars ($231,235) as of the Closing Date (the "Partnership Indebtedness").

b. Thereafter, at Closing Purchaser shall pay on behalf of the Partnership any Partnership Indebtedness. Such payments shall be made 71% to Merlot and 29% to Madeira.

3. INDEBTEDNESS OF RMC.

a. RMC is indebted to Madeira and Merlot in the principal amount of Eight Hundred Fifty-Four Thousand, Four Hundred Ninety-Six and no/100 Dollars ($854,496) together with interest thereon in the amount of Eight Hundred Forty-Seven Thousand, Eight Hundred Seventy-Eight and no/100 Dollars ($847,878) as of the Closing Date (the "RMC Indebtedness").

b. At Closing (as defined below), Purchaser shall pay the RMC Indebtedness to Madeira and Merlot in cash, wire transfer or other readily available funds. Such payments shall be made 71% to Merlot and 29% to Madeira.

4. CLOSING DATE. The date on which the Closing shall occur (the "CLOSING DATE") shall be August 2, 2001.

5. CONDITIONS TO CLOSING.

a. Purchaser's obligation to consummate the transactions contemplated by this Purchase Agreement is subject to the following conditions:

(i) The representations and warranties of Sellers contained in this Agreement shall be true and correct on, and as of, the Closing Date, in all material respects, as though such representations and warranties were made on, and as of, such date.

(ii) From the Effective Date until the time of the Closing, there shall not have occurred any material and adverse change in the physical condition of the Property, except: (A) those changes caused by ordinary wear and tear; or (B) as caused directly or indirectly by any act or omission of Purchaser or its representatives, agents or employees.

(iii) Since the Effective Date, the operations of the Partnership shall have been carried out in the ordinary course of business and there shall not have occurred:

(1) any material and adverse change in the condition (financial or otherwise) or in the overall business of the Partnership;

(2) any material increase in the liabilities of the Partnership from

those liabilities listed or otherwise disclosed in the financial statements of the Partnership for the year ended December 31, 2000 (the "Financial Statements"), other than those contemplated by this Agreement; and

(3) any damage, destruction or loss (whether or not covered by insurance) materially and adversely affecting the Partnership.

(iv) Sellers shall have performed and complied with all of the terms, covenants, conditions and obligations of this Purchase Agreement, including, without limitation, the delivery requirements of Section 9(f) herein.

b. Sellers' obligations to consummate the transactions contemplated by this Purchase Agreement are subject to the following conditions:

(i) The representations and warranties of Purchaser contained in this Agreement shall be true and correct on, and as of, the Closing Date, in all material respects, as though such representations and warranties were made on, and as of, such date.

(ii) Purchaser shall have performed and complied with all of the terms, covenants, conditions and obligations of this Purchase Agreement, including without limitation, the delivery requirements of Section 9(e) herein.

(iii) Closing of the Debt Capitalization and Liquidating Distribution Agreement of even date herewith among Michaelson-RMC L.P., Michaelson Management Company, Inc., Michelin Management Company, Inc., RMC, and La Reserve Apartment-Hotel Corp.

(iv) Satisfaction of the RMC Indebtedness and evidence representing same.

(v) Satisfaction of the Partnership Indebtedness and evidence representing same.

c. Purchaser may waive in writing any condition set forth in Paragraph 5(a) and Sellers may waive in writing any condition set forth in Paragraph 5(b) and require the other to effect the Closing pursuant to Paragraph 9.

6. MUTUAL REPRESENTATIONS AND WARRANTIES. Sellers, RMC and Purchaser, respectively, hereby represent and warrant to the others that the following are true, accurate and complete as of the Effective Date and shall be true, accurate and complete as of the Closing Date:

a. Each of the Sellers, RMC and Purchaser, respectively, has the full legal power and authority to enter into and perform this Purchase Agreement in accordance with its terms. The execution and delivery of this Purchase Agreement and the performance by each of the Sellers, RMC and

Purchaser, respectively, of its obligations hereunder requires no further action or approval by either of the Sellers, RMC or Purchaser or any other person or entity. This Purchase Agreement is the binding obligation of each of Sellers, RMC and Purchaser.

b. The execution, delivery and performance of this Purchase Agreement and all documents in connection therewith are not in contravention of or in conflict with any deed of trust, agreement or undertaking to which either of the Sellers, RMC or Purchaser, respectively, is a party or by which either of the Sellers, RMC or Purchaser, respectively, or any of their respective property or assets, including the Property and the Interest, may be bound or affected.

7. SELLERS' REPRESENTATIONS AND WARRANTIES. Sellers hereby represent and warrant to the Purchaser that the following are true, accurate and complete as of the Effective Date and shall be true, accurate and complete as of the Closing Date:

a. No bankruptcy, insolvency, rearrangement or similar action or proceeding, whether voluntary or involuntary, is pending or, to the best of either Seller's knowledge, threatened against either Seller.

b. Each Seller is the owner of its Interest and has not pledged, sold, transferred or hypothecated its Interest except as provided herein.

c. There is no action, claim, demand, litigation, proceeding or governmental investigation, at law or in equity, pending or, to the best of either Seller's knowledge, threatened against or related to the Property or the Partnership.

8. DAMAGE, DESTRUCTION AND CONDEMNATION. In the event of any fire or other casualty costing more than Three Million Dollars to repair or in the event any condemnation proceedings are instituted with respect to all or more than 25% of the rentable area of the Property prior to the Closing, Purchaser shall have the right to terminate this Purchase Agreement by written notice to either of the Sellers no later than the date that is fifteen (15) days after notice of such event. The Closing Date shall, if necessary, be extended to coincide with the expiration of such fifteen (15) day period.

9. CLOSING.

a. The Closing (the "CLOSING") shall be held on the Closing Date in the offices of UBS Realty Investors LLC, 10 East 50th Street, New York, New York, or at any other location mutually acceptable to the parties hereto.

b. At the Closing, the parties shall apportion the real estate taxes, utilities, rents and other expenses incurred or income received from the Property as of the Closing Date in an equitable manner. Such taxes, utilities, rents, other expenses shall be treated as a separate line item on the settlement sheet at Closing and shall be netted together and satisfied by a separate payment by either the Seller or Purchaser whichever of them shall be determined to have a net payment obligation to the other hereunder. Rents received from tenants of the Property after Closing shall be applied first to rent due during the then current month and then to any rent accrued and unpaid as of the Closing in which case

70% of such rents shall be paid to Sellers and the balance to Purchaser. Any transfer taxes, shall be paid by Sellers. RMC shall prepare and file any transfer tax returns required to be filed, and Sellers shall duly and timely execute any such returns, in respect of the purchase hereunder.

c. At the Closing, Purchaser shall pay to Sellers the Purchase Price and the RMC Indebtedness.

d. At the Closing, the Partnership shall pay to Sellers the Partnership Indebtedness.

e. At the Closing, Purchaser shall execute and deliver to Sellers, in form and substance reasonably satisfactory to Sellers' counsel, the following:

(i) Certificate of dissolution of the Partnership.

(ii) Notices to tenants and service providers of the Property regarding the change in ownership of the Property reasonably acceptable to the parties.

(iii) Such other documents, forms, and other items as may be requested by Sellers or their counsel and as may be reasonably and customarily required to close similar transactions.

f. At the Closing, Sellers shall execute and deliver, or cause the Partnership to execute and deliver, to Purchaser, in form and substance reasonably satisfactory to Purchaser's counsel, the following:

(i) Instructions to the Partnership to register on the Partnership's books and records the transfer of the Interest from Sellers to Purchaser.

(ii) FIRPTA affidavit.

(iii) Such other documents, forms and other items as may be requested by Purchaser or its counsel and may be reasonably and customarily required to close similar transactions.

(iv) The originals of all notes duly marked "paid in full" or other language of similar import in respect of the Partnership Indebtedness and RMC Indebtedness and/or such other evidence of

satisfaction of the Partnership Indebtedness and RMC Indebtedness as Purchaser may reasonably request.

g. As soon as practicable after Closing, Purchaser shall execute and deliver to Sellers, in form and substance reasonably satisfactory to Sellers' counsel, a final accounting of all activities of the Partnership as of the Closing Date and Sellers' share of all such activities and the parties shall reprorate, if necessary, the closing adjustments to reflect final accounting of the property for 2001.

10. INDEMNITY.

a. Sellers and Purchaser shall indemnify, defend and hold the other harmless from and against, and shall reimburse the other with respect to, any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees and court costs, whether suit is instituted or not), asserted against or actually incurred by the indemnified party by reason of or arising out of the discovery following the Closing of the breach or material misstatement by the indemnifying party of any representation, warranty or covenant contained in this Purchase Agreement.

b. RMC and Purchaser shall indemnify, defend and hold Sellers harmless from and against, and shall reimburse the Sellers with respect to, any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees and court costs, whether suit is instituted or not), asserted against or actually incurred by the indemnified parties after the Closing Date by reason of or arising out of the acts or omissions of the Partnership or otherwise relating to the Partnership after the Closing Date or the Property after the Closing Date.

c. Subject to the last sentence of this section, Sellers shall indemnify, defend and hold RMC and Purchaser harmless from and against, and shall reimburse RMC and Purchaser with respect to, any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees and court costs, whether suit is instituted or not), asserted against or actually incurred by the indemnified parties after the Closing Date by reason of or arising out of the acts or omissions of the Partnership or otherwise relating to the Partnership prior to the Closing Date or the Property prior to the Closing Date. In the event of a third party claim against the Partnership arising out of circumstances occurring prior to the Closing Date and the Purchaser pays or compromises such claim, Sellers shall be responsible to Purchaser for such costs on a 70 to 30 basis with RMC's liability capped at $760,445.

d. The indemnified party must give the indemnifying party notice of the indemnified claim within one year from the Closing in order to avail itself of the remedies provided in this section.

11. PRE-CLOSING REMEDIES.

a. In the event of a breach or threatened breach of this Agreement by either party, the non-breaching party shall have all rights and remedies that may be available at law or equity or the Partnership Agreement.

12. BROKERAGE.

a. Except as otherwise disclosed in writing to Purchaser, Sellers warrant to Purchaser and RMC that no broker is entitled to any brokerage commission or fee arising out of this transaction, and Sellers shall indemnify, hold and defend Purchaser and RMC harmless against any losses, liabilities, expenses and claims resulting from a breach of the foregoing warranty.

b. Except as otherwise disclosed in writing to Sellers, Purchaser and RMC warrant to Sellers that no broker is entitled to any brokerage commission or fee arising out of this transaction, and

Purchaser and RMC shall indemnify, hold and defend Sellers harmless against any losses, liabilities, expenses and claims resulting from a breach of the foregoing warranty.

13. GENERAL PROVISIONS.

a. The terms and conditions of this Purchase Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective heirs, successors, permitted assigns and legal representatives.

b. The parties agree to take such further actions and to cause the Partnership to take such actions as may be necessary in order to consummate the transactions contemplated by this Purchase Agreement.

c. The representations, warranties and indemnities of Sellers contained in this Purchase Agreement or in any instrument, document or agreement delivered by Sellers pursuant hereto shall survive the consummation of the transfer of the Interest, and shall not be merged therein.

d. Any notice required or permitted hereunder shall be deemed to have been received either: (i) when delivered by hand to Purchaser or one of the Sellers as evidenced by a signed receipt therefor; or (ii) when delivered by the United States postal service, postage prepaid, or by a recognized commercial air or local courier service, addressed as follows (or addressed in such other manner as the party being notified shall have requested by such written notice to the other party), except that refusal to accept delivery of notice shall be deemed to be receipt hereunder:

If to Madeira or Merlot:

c/o UBS Realty Investors LLC
10 East 50th Street, 15th floor
New York, New York 10022
Attn: Scott M. Dalrymple

with a copy (which copy shall not constitute notice) to:

Patton Boggs LLP
2550 M Street, NW
Washington, D.C. 20037
Attn: Ross E. Eichberg, Esq.

If to RMC:

Robert Martin Company, LLC
100 Clearbrook Road
Elmsford, NY 10523
Attn: Martin S. Berger

with a copy (which copy shall not constitute notice) to:

Robert Martin Company, LLC
100 Clearbrook Road
Elmsford, NY 10523
Attn: Lloyd Roos

e. This Purchase Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and otherwise supersedes all prior agreements or undertakings with respect to each and every provision of this Purchase Agreement.

f. In the event that any one or more of the provisions contained in this Purchase Agreement are held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Purchase Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

g. Any paragraph heading contained in this Purchase Agreement shall be for convenience of reference only and shall not affect the construction or interpretation of any provision of this Purchase Agreement.

h. No failure by Purchaser, Sellers or the Partnership to insist upon the strict performance of any term of this Purchase Agreement shall constitute a waiver of any such breach or any subsequent breach of any such term. No term of this Purchase Agreement and no breach thereof shall be waived, altered or modified except by written instrument. No waiver of any breach shall affect or alter this Purchase Agreement, but each and every term of this Purchase Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

i. This Purchase Agreement shall be governed by and construed according to the laws of the State of New York.

j. This Purchase Agreement may not be assigned without the express written consent of the other party, provided, however, that Purchaser shall have the right, after notice and without the consent of Sellers, to assign his interest in the Purchase Agreement to an entity controlled by Purchaser or to a trust benefiting members of Purchaser's family.

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IN WITNESS WHEREOF, the parties hereto have executed this Purchase Agreement under seal as of the date first written above.

MADEIRA-RMC L.P.

BY: MADEIRA MANAGEMENT COMPANY, INC.,
its managing general partner

By: /s/ Stephen J. Spey (Seal)

Name: Stephen J. Spey

Its: Vice President

MADEIRA MANAGEMENT COMPANY, INC.

By: /s/ Stephen J. Spey (Seal)

Name: Stephen J. Spey

Its: Vice President

MERLOT MANAGEMENT COMPANY, INC.

By: /s/ Stephen J. Spey (Seal)

Name: Stephen J. Spey

Its: Vice President

ROBERT MARTIN COMPANY, LLC

By: /s/ Robert F. Weinberg (Seal)

Robert F. Weinberg, Manager

By: /s/ Martin S. Berger (Seal)

Martin S. Berger, Manager

ROBERT MARTIN COMPANY, LLC,
AS AGENT FOR
5/6 SKYLINE REALTY L.L.C.

By: /s/ Robert F. Weinberg (Seal)

Robert F. Weinberg, Manager

By: /s/ Martin S. Berger (Seal)

Martin S. Berger, Manager

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Exhibit 10.24

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NOMINEE AGREEMENT

THIS NOMINEE AGREEMENT ("AGREEMENT") dated as of the 3rd day of August, 2001, by and between ROBERT MARTIN COMPANY, LLC, a New York limited liability company ("AGENT") and 5/6 SKYLINE REALTY L.L.C., a New York limited liability company ("PRINCIPAL").

RECITALS

A. WHEREAS, pursuant to the Amended and Restated Agreement of Limited Partnership of Madeira/RMC L.P., dated as of September 1, 1984 (as amended, the "PARTNERSHIP AGREEMENT"), Agent, Madeira Management Company, Inc. ("MMCI") and Merlot Management Company, Inc. ("MMI" and, together with MMCI, "MASSERY") continued the existence of a limited partnership under the laws of the State of New York under the name of Madeira-RMC L.P. (the "PARTNERSHIP") for the purpose, among others, of owning and developing the real property located in the Town of Mount Pleasant, County of Westchester, and State of New York, commonly known as 5 and 6 Skyline Drive in Mid-Westchester Executive Park and more particularly described on EXHIBIT "A" annexed hereto and made a part hereof (the "PROPERTY").

B. WHEREAS, in accordance with the terms of the Partnership Agreement, Massery has offered to purchase and acquire from Agent all of Agent's right, title and interest in and to the Partnership (collectively, the "AGENT'S INTEREST") and Agent has exercised its right to cause Massery to sell, assign, transfer and convey to Agent all of Massery's right, title and interest in and to the Partnership (collectively, the "MASSERY Interest");

C. WHEREAS, Principal wants to acquire the Property to facilitate a "like-kind" exchange under Section 1031 of the Internal Revenue Code of 1986, as amended (the "CODE"), subject to the express condition that Principal is able to acquire the Massery Interest (in the manner described below) and the Agent's Interest in simultaneous closings;

D. WHEREAS, Agent neither wishes nor intends to acquire the Massery Interest for its own account but has agreed to act as Principal's agent in acquiring the Massery Interest by serving as Principal's nominee for the sole and limited purpose of acquiring legal title to the Massery Interest for the sole and absolute benefit of Principal;

E. WHEREAS, pursuant to the terms of the Partnership Agreement, Massery has agreed to sell, assign, transfer and convey to Agent, and Agent has agreed in accordance with this Nominee Agreement to purchase and acquire from Massery on behalf of Principal (who is solely responsible for funding the acquisition of the Massery Interest), title to the Massery Interest (the "MASSERY SALE"); and

F. WHEREAS, pursuant to a Purchase and Sale Agreement between Agent and Principal, dated August 3, 2001, Agent has agreed to sell its Agent's Interest and any and all rights therein to Principal and Principal has agreed to purchase such Interest, subject to the express condition that Principal is able to acquire the Massery Interest and the Agent's Interest in

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simultaneous closing.

NOW, THEREFORE, it is hereby agreed as follows:

1. Principal hereby appoints Agent to act as Principal's nominee for the sole purpose of taking and holding legal title to the Massery Interest in Agent's name for Principal's sole and absolute benefit, and Agent hereby accepts such appointment and agrees to perform such duties for and on behalf of Principal as are set forth in this Agreement. Agent acknowledges that Agent will be acquiring the Massery Interest solely as nominee for and on behalf of Principal. Principal shall have and at all times shall continue to have all benefits, rights, privileges and liabilities accruing with respect to such Massery Interest. Agent shall not at any time have any rights, benefits or burdens of an owner of the Massery Interest (or any interest therein) or any power to deal with such Massery Interest except as provided in Paragraph 2 below. Agent shall not have any obligation to provide any portion of the purchase price and other closing costs of the Massery Sale which shall remain the sole responsibility of Principal, and it is agreed and understood that Principal shall timely provide and make available to Agent all funds necessary to enable Agent to complete the closing of the Massery Sale.

2. Agent shall have no discretionary authority to act for or on behalf of Principal. Agent shall not do or suffer to be done any act or omission with respect to the Property or the Massery Interest, but shall perform only such acts as may be specifically requested by Principal in writing, including, without limitation, the following:

(a) Upon delivery of written instructions from Principal, Agent shall immediately cause the Massery Interest and any interest related thereto to be transferred and assigned to Principal or to such other person, persons or entities as Principal may, in Principal's sole discretion, designate.

(b) Any and all notices, statements and communications received by Agent as owner or with respect to the Massery Interest shall be promptly given to Principal.

(c) If Agent shall receive any funds and/or any contracts and documents executed in connection or accordance herewith with respect to the Massery Interest or the Property, Agent shall disburse such funds in accordance with the directions of Principal, either directly to Principal or to such persons, firms and/or entities as Principal may, in Principal's sole discretion, designate. Agent shall account to Principal for all funds so received by Agent on behalf of Principal in such reasonable manner as Principal may from time to time require.

(d) If Principal desires to use the Property in a "like-kind" exchange transaction pursuant to section 1031 of the Code, Agent shall cooperate with and assist Principal in all reasonable respects in order to insure that the exchange so qualifies as a "like-kind" exchange under section 1031 of the Code and the Treasury Regulations promulgated, or to be promulgated, thereunder, provided that such cooperation and assistance does not require Agent to take any action which would, in Agent's opinion, involve Agent in any liability unless Agent shall have first been indemnified to its satisfaction.

3. Without the express written consent of Principal, Agent hereby covenants not to disclose this Agreement or any of the terms, conditions or other facts contained herein (other than the professionals involved in the transaction herein contemplated or any party otherwise involved in the respective businesses of either party hereto), or to issue any press release or public statement related to the transaction contemplated by this Agreement, unless required to do so by applicable law or court order, PROVIDED, HOWEVER, if Principal issues any such press release or public statement other than one which Principal is required to issue or make by court order or applicable law (including all rules and regulations of the Securities Exchange Commission or any public stock or securities exchange), then Agent shall be allowed to issue a similar press release or public statement which shall be limited to such facts and information as are set forth in Principal's press release or public statement.

4. The authority and duties of Agent hereunder shall not be delegated or assigned by Agent except at the written direction or with the prior written consent of Principal.

5. Insofar as third persons dealing with Agent are concerned, Agent is only to act as the agent and nominee of Principal and, as such, the following provisions shall govern:

(a) Agent, solely in its capacity as agent and nominee for Principal (and solely with respect to third parties unless done pursuant to Principal's written instructions or request) shall have full right, power and authority to deal with the Massery Interest held by Agent hereunder, with the same force and effect as though such Massery Interest were individually owned by it; and, without limiting the generality of the foregoing; including full right to execute and deliver any assignment or transfer relating to the Massery Interest or any other any other instrument relating thereto.

(b) Any and all of the foregoing instruments executed by Agent may create obligations extending over periods of time, including periods extending beyond the date of any possible termination of this Agreement;

(c) No third party dealing with Agent shall be under any obligation to inquire as to the propriety of any action or omission by Agent, and such third party shall be conclusively protected in assuming without further inquiry that any action taken by Agent, or any officer or employee of it acting individually, including the execution of any instrument, is a valid and duly authorized act of Agent as nominee and agent of Principal; and

(d) Any member of Agent shall have full authority to execute any and all instruments or take any and all other action which Agent is authorized

and empowered so to do by the terms of this Agreement.

6. As between Agent on the one hand, and Principal on the other, it is understood and agreed that Principal shall have full and exclusive power to manage, own and deal with the Massery Interest including, without limitation, supervising, directing and controlling any litigation, or the sale of the Massery Interest or otherwise, assigning, conveying or disposing of the Massery Interest. It is further understood and agreed that Agent shall act solely as the agent

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and nominee of Principal with respect to the Massery Interest and as such, when, as, if and to the extent specifically directed by Principal shall :

(a) Execute any instruments, including without limitation, governmental filings, as Agent may from time to time be specifically directed by Principal in writing;

(b) Take any such action with respect to the Massery Interest as may from time to time be specifically directed by Principal in writing;

(c) Do any such other things as Agent may be specifically directed to do by the terms of this Agreement; EXCEPT THAT Agent shall not be required to take any action which would, in the opinion of Agent, involve Agent in any liability unless Agent shall have first been indemnified to its satisfaction; and

(d) Execute only such instruments and take only such action as shall have been authorized and directed by Principal in writing.

The provisions of this Paragraph 6 shall be applicable only as between Agent on the one hand, and Principal on the other; but the limitations set forth in this Paragraph 6 shall in no way limit the rights of third parties against the Principal, or with respect to the Property for any actions taken by the Agent pursuant to Paragraph 5 above.

7. This Agreement shall be terminated at any time by Principal, by notice in writing to Agent, signed and fully acknowledged, or, in all events, upon conveyance by Agent of the Massery Interest or the Property to Principal or Principal's designee. If the Massery Interest has not been transferred and conveyed to Principal at the time of termination of this Agreement, Agent shall transfer and convey title to the Massery Interest (or the Property) to Principal at such time.

8. This Agreement may be amended from time to time by an instrument in writing, signed by all parties.

9. Agent shall not be liable for any error of judgment, nor for any loss arising out of any act or omission in good faith, but shall be responsible only for its own willful breach of the provisions hereof. Principal shall be liable for all debt and liabilities arising out of or occurring in connection with the Massery Interest to the same extent and subject to the same limitations, contractual or otherwise, as if the Principal were the record owner of the Massery Interest

10. In the construction hereof, whether or not so expressed, words used in the singular or in the plural, respectively, include both the plural and singular, words denoting males include females and words denoting persons include individuals, firms, associations, companies, trusts and corporations, unless a contrary intention is to be inferred from or required by the subject matter or context.

11. This Agreement may not be assigned by Agent or Principal; PROVIDED, HOWEVER, that Principal may assign this Agreement to any directly or indirectly wholly-owned subsidiary

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or subsidiaries of Principal, any "qualified intermediary" (as such term is defined in Treasury Regulation section 1.1031(k)-1(g)(iii)), any "exchange accommodation titleholder" (as such term is defined in Revenue Procedure 2000-37, 2000-40-IRB) or any other accommodation or other party in connection with facilitating a "like-kind" exchange under section 1031 of the Code (any such permitted assignees, a "PERMITTED ASSIGNEE"). Any other assignment or attempted assignment of this Agreement by Principal or Seller shall constitute a

default by such party hereunder and shall be deemed null and void and of no force and effect.

12. All the trusts, powers and provisions herein contained shall take effect and be construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles.

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WITNESS the execution hereof, under seal, in any number of counterpart copies, each of which counterpart copy shall be deemed an original for all purposes, as of the day first written above.

ROBERT MARTIN COMPANY, LLC, a New York limited liability company

By: /s/ Robert F. Weinberg

Name: Robert F. Weinberg
Title: Manager

5/6 SKYLINE REALTY L.L.C., a New York limited liability company

By: Mack-Cali Realty, L.P., a Delaware limited partnership, its sole member

By: Mack-Cali Realty Corporation, a Delaware corporation, its general partner

By: /s/ Roger W. Thomas

Roger W. Thomas,
Executive Vice President