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

FORM 10-Q

(Mark One)

[X] **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2007

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 No.)
343 Thornall Street, Edison, New Jersey	08837-2206
(Address of principal executive offices)	(Zip Code)

(732) 590-1000

(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 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past ninety (90) days. YES X NO ___

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check One):

Large accelerated filer X Accelerated filer ___ Non-accelerated filer ___

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

As of April 27, 2007, there were 67,917,207 shares of the registrant's Common Stock, par value $0.01 per share, outstanding.

MACK-CALI REALTY CORPORATION

FORM 10-Q

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Part I - Financial Information

Item 1. Financial Statements

The accompanying unaudited consolidated balance sheets, statements of operations, of changes in stockholders' equity, and of cash flows and related notes thereto, 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, 2006.

The results of operations for the three month period ended March 31, 2007 are not necessarily indicative of the results to be expected for the entire fiscal year or any other period.

MACK-CALI REALTY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS *(in thousands, except per share amounts) (unaudited)*

ASSETS	March 31, 2007	December 31, 2006
Rental property		
Land and leasehold interests	$ 656,514	$ 659,169
Buildings and improvements	3,523,319	3,549,699
Tenant improvements	347,141	356,495
Furniture, fixtures and equipment	8,388	8,224
	4,535,362	4,573,587
Less - accumulated depreciation and amortization	(802,196)	(796,793)
	3,733,166	3,776,794
Rental property held for sale, net	30,333	--
Net investment in rental property	3,763,499	3,776,794
Cash and cash equivalents	150,171	101,223
Investments in unconsolidated joint ventures	168,861	160,301
Unbilled rents receivable, net	104,934	100,847
Deferred charges and other assets, net	244,196	240,637
Restricted cash	16,288	15,448
Accounts receivable, net of allowance for doubtful accounts of $2,486 and $1,260	25,454	27,639
Total assets	$ 4,473,403	$ 4,422,889
LIABILITIES AND STOCKHOLDERS' EQUITY		
Senior unsecured notes	$ 1,631,748	$ 1,631,482
Revolving credit facility	--	145,000
Mortgages, loans payable and other obligations	364,269	383,477
Dividends and distributions payable	53,651	50,591
Accounts payable, accrued expenses and other liabilities	119,969	122,134
Rents received in advance and security deposits	49,546	45,972
Accrued interest payable	18,457	34,106
Total liabilities	2,237,640	2,412,762
Minority interests:		
Operating Partnership	470,270	480,103
Consolidated joint ventures	1,879	2,117
Total minority interests	472,149	482,220
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.01 par value, 5,000,000 shares authorized, 10,000 and 10,000 shares outstanding, at liquidation preference	25,000	25,000
Common stock, $0.01 par value, 190,000,000 shares authorized, 67,847,852 and 62,925,191 shares outstanding	678	629
Additional paid-in capital	1,968,555	1,708,053
Dividends in excess of net earnings	(230,619)	(205,775)
Total stockholders' equity	1,763,614	1,527,907
Total liabilities and stockholders' equity	$ 4,473,403	$ 4,422,889

The accompanying notes are an integral part of these consolidated financial statements.

MACK-CALI REALTY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS *(in thousands, except per share amounts) (unaudited)*

	Three Months Ended March 31,	
REVENUES	2007	2006
Base rents	$ 140,034	$ 127,975
Escalations and recoveries from tenants	26,225	21,003
Construction services	22,341	--
Real estate services	2,741	628
Other income	2,398	2,789
Total revenues	193,739	152,395
EXPENSES		
Real estate taxes	23,519	20,816
Utilities	17,558	14,468
Operating services	24,766	20,260
Direct construction costs	20,911	--
General and administrative	11,071	8,775
Depreciation and amortization	41,514	36,578
Total expenses	139,339	100,897
Operating Income	54,400	51,498
OTHER (EXPENSE) INCOME		
Interest expense	(30,936)	(31,075)
Interest and other investment income	1,617	1,445
Equity in earnings (loss) of unconsolidated joint ventures	(2,231)	247
Minority interest in consolidated joint ventures	227	--
Gain on sale of investment in marketable securities	--	15,060
Total other (expense) income	(31,323)	(14,323)
Income from continuing operations before Minority interest in Operating Partnership	23,077	37,175
Minority interest in Operating Partnership	(4,262)	(6,886)
Income from continuing operations	18,815	30,289
Discontinued operations (net of minority interest):		
Income from discontinued operations	264	2,808
Net income	19,079	33,097
Preferred stock dividends	(500)	(500)
Net income available to common shareholders	$ 18,579	$ 32,597
Basic earnings per common share:		
Income from continuing operations	$ 0.28	$ 0.48
Discontinued operations	$ --	0.05
Net income available to common shareholders	$ 0.28	$ 0.53
Diluted earnings per common share:		
Income from continuing operations	$ 0.28	$ 0.48
Discontinued operations	$ --	0.04
Net income available to common shareholders	$ 0.28	$ 0.52
Dividends declared per common share	$ 0.64	$ 0.63
Basic weighted average shares outstanding	65,695	61,988
Diluted weighted average shares outstanding	81,234	76,642

The accompanying notes are an integral part of these consolidated financial statements.

MACK-CALI REALTY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY *(in thousands) (unaudited)*

	Preferred Stock		Common Stock		Additional Paid-In	Dividends in Excess of Net	Total Stockholders'
	Shares	Amount	Shares	Par Value	Capital	Earnings	Equity
Balance at January 1, 2007	10	$ 25,000	62,925	$ 629	$ 1,708,053	$ (205,775)	$ 1,527,907
Net income	--	--	--	--	--	19,079	19,079
Preferred stock dividends	--	--	--	--	--	(500)	(500)
Common stock dividends	--	--	--	--	--	(43,423)	(43,423)
Common Stock offering	--	--	4,650	47	251,685	--	251,732
Redemption of common units for common stock	--	--	142	1	4,427	--	4,428
Shares issued under Dividend Reinvestment and Stock Purchase Plan	--	--	1	--	67	--	67
Stock options exercised	--	--	117	1	3,346	--	3,347
Stock options expense	--	--	--	--	33	--	33
Directors Deferred compensation plan	--	--	--	--	79	--	79
Issuance of restricted stock	--	--	13	--	--	--	--
Amortization of stock compensation	--	--	--	--	865	--	865
Balance at March 31, 2007	10	$ 25,000	67,848	$ 678	$ 1,968,555	$ (230,619)	$ 1,763,614

MACK-CALI REALTY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS *(in thousands) (unaudited)*

	Three Months Ended March 31,	
CASH FLOWS FROM OPERATING ACTIVITIES	2007	2006
Net income	$ 19,079	$ 33,097
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	41,514	36,578
Depreciation and amortization on discontinued operations	343	3,064
Stock options expense	33	37
Amortization of stock compensation	865	693
Amortization of deferred financing costs and debt discount	708	721
Equity in (earnings) losses of unconsolidated joint ventures, net	2,231	(247)
Gain on sale of marketable securities available for sale		(15,060)
Minority interest in Operating Partnership	4,262	6,886
Minority interest in consolidated joint venture	(227)	--
Minority interest in income from discontinued operations	61	649
Changes in operating assets and liabilities:		
Increase in unbilled rents receivable, net	(4,087)	(6,183)
Increase in deferred charges and other assets, net	(13,576)	(6,802)
Decrease (increase) in accounts receivable, net	2,185	(333)
(Decrease) increase in accounts payable, accrued expenses and other liabilities	(2,165)	2,698
Increase in rents received in advance and security deposits	3,574	4,475
Decrease in accrued interest payable	(15,649)	(8,020)
Net cash provided by operating activities	$ 39,151	$ 52,253
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to rental property and related intangibles	$ (19,000)	$ (35,312)
Repayments of notes receivable	41	39
Investment in unconsolidated joint ventures	(10,801)	(779)
Purchase of marketable securities available for sale	--	(11,912)
Proceeds from sale of marketable securities available for sale	--	78,609
Increase in restricted cash	(840)	(4,792)
Net cash (used in) provided by investing activities	$ (30,600)	$ 25,853
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from senior unsecured notes	--	$ 199,914
Borrowings from revolving credit facility	$ 76,000	223,750
Repayment of revolving credit facility	(221,000)	(358,750)
Repayment of mortgages, loans payable and other obligations	(19,091)	(148,509)
Payment of financing costs	--	(384)
Proceeds from offering of Common Stock	251,732	--
Proceeds from stock options exercised	3,347	5,259
Payment of dividends and distributions	(50,591)	(48,178)
Net cash provided by (used in) financing activities	$ 40,397	$ (126,898)
Net increase (decrease) in cash and cash equivalents	$ 48,948	$ (48,792)
Cash and cash equivalents, beginning of period	$ 101,223	60,397
Cash and cash equivalents, end of period	$ 150,171	$ 11,605

The accompanying notes are an integral part of these consolidated financial statements.

1. ORGANIZATION AND BASIS OF PRESENTATION

ORGANIZATION

Mack-Cali Realty Corporation, a Maryland corporation, together with its subsidiaries (collectively, 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 and third-parties. As of March 31, 2007, the Company owned or had interests in 300 properties plus developable land (collectively, the "Properties"). The Properties aggregate approximately 34.3 million square feet, which are comprised of 289 buildings, primarily office and office/flex buildings, totaling approximately 33.9 million square feet (which include 44 buildings, primarily office buildings, aggregating 5.4 million square feet owned by unconsolidated joint ventures in which the Company has investment interests), six industrial/warehouse buildings totaling approximately 387,400 square feet, two retail properties totaling approximately 17,300 square feet, a hotel (which is owned by an unconsolidated joint venture in which the Company has an investment interest) and two parcels of land leased to others. The Properties are located in seven 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. (the "Operating Partnership") and variable interest entities for which the Company has determined itself to be the primary beneficiary, if any. See Note 2: Significant Accounting Policies - Investments in Unconsolidated Joint Ventures for the Company's treatment of unconsolidated joint venture interests. 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, development and construction of rental properties are capitalized. Capitalized development and construction costs include pre-construction costs essential to the development of the property, development and construction costs, interest, property taxes, insurance, salaries and other project costs incurred during the period of development. Included in total rental property is construction and development in-progress of $130,950,000 and $116,151,000 (including land of $64,405,000 and $63,136,000) as of March 31, 2007 and December 31, 2006, 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.

The Company considers a construction project as substantially completed and held available for occupancy upon the completion of tenant improvements, but no later than one year from cessation of major construction activity (as distinguished from activities such as routine maintenance and cleanup). If portions of a rental project are substantially completed and occupied by tenants, or held available for occupancy, and other portions have not yet reached that stage, the substantially completed portions are accounted for as a separate project. The Company allocates costs incurred between the portions under construction and the portions substantially completed and held available for occupancy, and capitalizes only those costs associated with the portion under construction.

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

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

Upon acquisition of rental property, the Company estimates the fair value of acquired tangible assets, consisting of land, building and improvements, and identified intangible assets and liabilities, generally consisting of the fair value of (i) above and below market leases, (ii) in-place leases and (iii) tenant relationships. The Company allocates the purchase price to the assets acquired and liabilities assumed based on their relative fair values. In estimating the fair value of the tangible and intangible assets acquired, the Company considers information obtained about each property as a result of its due diligence and marketing and leasing activities, and utilizes various valuation methods, such as estimated cash flow projections utilizing appropriate discount and capitalization rates, estimates of replacement costs net of depreciation, and available market information. The fair value of the tangible assets of an acquired property considers the value of the property as if it were vacant.

Above-market and below-market lease values for acquired properties are recorded based on the present value, (using a discount rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to each in-place lease and (ii) management's estimate of fair market lease rates for each corresponding in-place lease, measured over a period equal to the remaining term of the lease for above-market leases and the initial term plus the term of any below-market fixed rate renewal options for below-market leases. The capitalized above-market lease values are amortized as a reduction of base rental revenue over the remaining term of the respective leases, and the capitalized below-market lease values are amortized as an increase to base rental revenue over the remaining initial terms plus the terms of any below-market fixed rate renewal options of the respective leases.

Other intangible assets acquired include amounts for in-place lease values and tenant relationship values, which are based on management's evaluation of the specific characteristics of each tenant's lease and the Company's overall relationship with the respective tenant. Factors to be considered by management in its analysis of in-place lease values include an estimate of carrying costs during hypothetical expected lease-up periods considering current market conditions, and costs to execute similar leases. In estimating carrying costs, management includes real estate taxes, insurance and other operating expenses and estimates of lost rentals at market rates during the expected lease-up periods, depending on local market conditions. In estimating costs to execute similar leases, management considers leasing commissions, legal and other related expenses. Characteristics considered by management in valuing tenant relationships include the nature and extent of the Company's existing business relationships with the tenant, growth prospects for developing new business with the tenant, the tenant's credit quality and expectations of lease renewals. The value of in-place leases are amortized to expense over the remaining initial terms of the respective leases. The value of tenant relationship intangibles are amortized to expense over the anticipated life of the relationships.

On a periodic basis, management assesses whether there are any indicators that the value of the Company's real estate properties held for use 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 is 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. The Company's estimates of aggregate future cash flows expected to be generated by each property are based on a number of assumptions that are subject to economic and market uncertainties including, among others, demand for space, competition for tenants, changes in market rental rates, and costs to operate each property. As these factors are difficult to predict and are subject to future events that may alter management's assumptions, the future cash flows estimated by management in its impairment analyses may not be achieved. Management does not believe that the value of any of the Company's rental properties is impaired.

Rental Property Held for Sale and Discontinued Operations

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 estimated net sales price of the assets which have been identified as held for sale is less than the net book value of the assets, a valuation allowance is established. Properties identified as held for sale and/or sold are presented in discontinued operations for all periods presented. See Note 6: Discontinued Operations.

If circumstances arise that previously were considered unlikely and, as a result, the Company decides not to sell a property previously classified as held for sale, the property is reclassified as held and used. A property that is reclassified is measured and recorded individually at the lower of (a) its carrying amount before the property was classified as held for sale, adjusted for any depreciation (amortization) expense that would have been recognized had the property been continuously classified as held and used, or (b) the fair value at the date of the subsequent decision not to sell.

Investments in Unconsolidated Joint Ventures

The Company accounts for its investments in unconsolidated joint ventures for which Financial Accounting Standards Board ("FASB") Interpretation No. 46 (revised December 2003), Consolidation of Variable Interest Entities ("FIN 46") does not apply 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.

FIN 46 provides guidance on the identification of entities for which control is achieved through means other than voting rights ("variable interest entities" or "VIEs") and the determination of which business enterprise, if any, should consolidate the VIE (the "primary beneficiary"). Generally, FIN 46 applies when either (1) the equity investors (if any) lack one or more of the essential characteristics of a controlling financial interest, (2) the equity investment at risk is insufficient to finance that entity's activities without additional subordinated financial support or (3) the equity investors have voting rights that are not proportionate to their economic interests and the activities of the entity involve or are conducted on behalf of an investor with a disproportionately small voting interest.

On a periodic basis, management assesses whether there are any indicators that the value of the Company's investments in unconsolidated joint ventures may be impaired. An investment is impaired only if management's estimate of the value of the investment is less than the carrying value of the investment, and such decline in value is deemed to be other than temporary. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the investment over the value of the investment. Management does not believe that the value of any of the Company's investments in unconsolidated joint ventures is impaired. See Note 4: Investments in Unconsolidated Joint Ventures.

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

Marketable Securities The Company classifies its marketable securities among three categories: Held-to-maturity, trading and available-for-sale. Unrealized holding gains and losses relating to available-for-sale securities are excluded from earnings and reported as other comprehensive income (loss) in stockholders' equity until realized. A decline in the market value of any marketable security below cost that is deemed to be other than temporary results in a reduction in the carrying amount to fair value. Any impairment would be charged to earnings and a new cost basis for the security established.

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 $708,000 and $721,000 for the three months ended March 31, 2007 and 2006, 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 are compensated for providing leasing services to the Properties. The portion of such compensation, which is capitalized and amortized, approximated $1,137,000 and $849,000 for the three months ended March 31, 2007 and 2006, respectively.

Derivative Instruments The Company measures derivative instruments, including certain derivative instruments embedded in other contracts, at fair value and records them as an asset or liability, depending on the Company's rights or obligations under the applicable derivative contract. For derivatives designated and qualifying as fair value hedges, the changes in the fair value of both the derivative instrument and the hedged item are recorded in earnings. For derivatives designated as cash flow hedges, the effective portions of the derivative are reported in other comprehensive income ("OCI") and are subsequently reclassified into earnings when the hedged item affects earnings. Changes in fair value of derivative instruments not designated as hedging and ineffective portions of hedges are recognized in earnings in the affected period.

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. Above-market and below-market lease values for acquired properties are recorded based on the present value (using a discount rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to each in-place lease and (ii) management's estimate of fair market lease rates for each corresponding in-place lease, measured over a period equal to the remaining term of the lease for above-market leases and the initial term plus the term of any below-market fixed-rate renewal options for below-market leases. The capitalized above-market lease values for acquired properties are amortized as a reduction of base rental revenue over the remaining term of the respective leases, and the capitalized below-market lease values are amortized as an increase to base rental revenue over the remaining initial terms plus the terms of any below-market fixed-rate renewal options of the respective leases. Escalations and recoveries from tenants 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 13: Tenant Leases. Construction services revenue includes fees earned and reimbursements received by the Company for providing construction management and general contractor services to clients. Construction services revenue is recognized on the percentage of completion method. Using this method, profits are recorded on the basis of estimates of the overall profit and percentage of completion of individual contracts. A portion of the estimated profits is accrued based upon estimates of the percentage of completion of the construction contract. This revenue recognition method involves inherent risks relating to profit and cost estimates. Real estate services revenue includes property management, facilities management, leasing commission fees and other services, and payroll and related costs reimbursed from clients. Other income includes income from parking spaces leased to tenants, income from tenants for additional services arranged for by the Company and income from tenants for early lease terminations.

Allowance for Doubtful Accounts Management periodically performs a detailed review of amounts due from tenants and clients to determine if accounts receivable balances are impaired based on factors affecting the collectibility of those balances. Management's estimate of the allowance for doubtful accounts requires management to exercise significant judgment about the timing, frequency and severity of collection losses, which affects the allowance and net income.

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 (including alternative minimum tax) on net income that it currently distributes to its shareholders, provided that the Company satisfies certain organizational and operational requirements including the requirement to distribute at least 90 percent of its REIT taxable income to its shareholders. The Company has elected to treat certain of its corporate subsidiaries as taxable REIT subsidiaries (each a "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.

The Company adopted the provisions of FASB Interpretation No. 48 ("FIN 48), Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109 ("FAS No. 109") on January 1, 2007. As a result of the implementation of FIN 48, the Company recognized no material adjustments regarding its tax accounting treatment. The Company expects to recognize interest and penalties related to uncertain tax positions, if any, as income tax expense, which is included in general and administrative expense.

Earnings Per Share 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 shareholders by the weighted average number of shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock, where such exercise or conversion would result in a lower EPS amount.

Dividends and Distributions Payable

The dividends and distributions payable at March 31, 2007 represents dividends payable to preferred shareholders (10,000 shares) and common shareholders (67,848,012 shares), and distributions payable to minority interest common unitholders of the Operating Partnership (15,200,761 common units) for all such holders of record as of April 4, 2007 with respect to the first quarter 2007. The first quarter 2007 preferred stock dividends of $50.00 per share, common stock dividends and common unit distributions of $0.64 per common share and unit were approved by the Board of Directors on March 13, 2007. The preferred stock dividends, common stock dividends and common unit distributions payable were paid on April 16, 2007.

The dividends and distributions payable at December 31, 2006 represents dividends payable to preferred shareholders (10,000 shares) and common shareholders (62,925,271 shares), and distributions payable to minority interest common unitholders of the Operating Partnership (15,342,283 common units) for all such holders of record as of January 4, 2007 with respect to the fourth quarter 2006. The fourth quarter 2006 preferred stock dividends of $50.00 per share, common stock dividends and common unit distributions of $0.64 per common share and unit were approved by the Board of Directors on December 5, 2006. The common stock dividends and common unit distributions payable were paid on January 12, 2007. The preferred stock dividends payable were paid on January 16, 2007.

Costs Incurred For Income

Costs incurred in connection with the Company's stock issuances are reflected as a reduction of additional paid-in capital.

Stock Compensation

The Company accounts for stock options and restricted stock awards granted prior to 2002 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 for stock options 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 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 made prior to 2002. Restricted stock awards granted prior to 2002 are valued at the vesting dates of such awards with compensation cost for such awards recognized ratably over the vesting period.

In 2002, the Company adopted the provisions of FASB No. 123, and in 2006, the Company adopted the provisions of FASB No. 123(R), which did not have a material effect on the Company's financial position and results of operations. These provisions require that the estimated fair value of restricted stock ("Restricted Stock Awards") and stock options at the grant date be amortized ratably into expense over the appropriate vesting period. For the three months ended March 31, 2007 and 2006, the Company recorded restricted stock and stock options expense of $898,000 and $730,000 for the three months ended March 31, 2007 and 2006, respectively.

Other Comprehensive Income

Other comprehensive income (loss) includes items that are recorded in equity, such as unrealized holding gains or losses on marketable securities available for sale.

Income

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

3. REAL ESTATE TRANSACTIONS

On February 27, 2007, the Company exercised its option to acquire approximately 43 acres of land sites adjacent to its Capital Office Park complex in Greenbelt, Maryland able to accommodate the development of up to 600,000 square feet of office space for $13 million. The option was acquired as part of the acquisition of the office complex in February 2006. The Company expects to complete the purchase of the land in the second quarter 2007.

On March 21, 2007, the Company announced that it reached an agreement to purchase condominium interests in 125 Broad Street ("Broad Street Condo"), a downtown Manhattan office tower, for $273 million. The condominium units being acquired include floors 2 through 16 of the 40-story building, and collectively comprise 39.6 percent, or 524,500 square feet, of the property. The condominium interests to be acquired are currently 100 percent leased. In a related transaction, the Company also signed a contract to sell 500 West Putnam Avenue, a 121,500 square-foot office building located in Greenwich, Connecticut to an affiliate of the seller of the Broad Street Condo, for $56 million. The Company expects to complete these transactions in the second quarter 2007. The completion of each of these transactions is contingent upon the other.

On April 10, 2007, the Company entered into an agreement to sell its 133,000 square-foot office building located at 1000 Bridgeport Avenue in Shelton, Connecticut for $16.8 million. The Company expects to complete the sale of the property in the second quarter 2007.

4. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES

The debt of the Company's unconsolidated joint ventures aggregating $582.8 million as of March 31, 2007 is non-recourse to the Company, except for customary exceptions pertaining to such matters as intentional misuse of funds, environmental conditions and material misrepresentations, and except as otherwise indicated below.

MEADOWLANDS XANADU

On November 25, 2003, the Company and affiliates of The Mills Corporation ("Mills") entered into a joint venture agreement ("Meadowlands Xanadu Venture Agreement") to form Meadowlands Mills/Mack-Cali Limited Partnership ("Meadowlands Venture") for the purpose of developing a $1.3 billion family entertainment, recreation and retail complex with an office and hotel component to be built at the Meadowlands sports complex in East Rutherford, New Jersey ("Meadowlands Xanadu"). The First Amendment to the Meadowlands Xanadu Venture Agreement was entered into as of June 30, 2005. Meadowlands Xanadu's approximately 4.76 million-square-foot complex is expected to feature a family entertainment, recreation and retail destination comprising five themed zones: sports; entertainment; children's education; fashion; and food and home, in addition to four office buildings, aggregating approximately 1.8 million square feet, and a 520-room hotel.

The Company and Mills owned a 20 percent and 80 percent interest, respectively, in the Meadowlands Venture. The Meadowlands Xanadu Venture Agreement required the Company to make an equity contribution up to a maximum of $32.5 million, which it fulfilled in April 2005.

Mills was to develop, lease and operate the entertainment phase of the Meadowlands Xanadu project ("ERC"). Upon the Company's exercise of its rights under the Meadowlands Xanadu Venture Agreement to develop the office and hotel phases, the Meadowlands Venture was to convey ownership of the component ventures to the Company and Mills or its affiliate, and the Company or its affiliate was to own an 80 percent interest and Mills or its affiliate was to own a 20 percent interest in such component ventures.

On August 21, 2006, Mills announced that it had signed a non-binding letter of intent with Colony Capital Acquisitions, LLC ("Colony") and Kan Am USA Management XXII Limited Partnership ("Kan Am") under which Colony would arrange for construction financing for Meadowlands Xanadu and make a significant equity infusion into the Meadowlands Venture, and Mills would not have any financial obligations post closing ("Colony Transaction"). Kan Am has been a partner with Mills in the Meadowlands Venture.

On November 22, 2006, the Company entered into and consummated a Redemption Agreement (the "Redemption Agreement") with the Meadowlands Venture, Meadowlands Developer Holding Corp., a limited partner in the Meadowlands Venture, and the Meadowlands Limited Partnership (f/k/a Meadowlands/Mills Limited Partnership, and hereafter "MLP"), a general partner and a limited partner in the Meadowlands Venture. Immediately prior to entering into the Redemption Agreement, the investors in MLP undertook a restructuring of MLP whereby Colony became an indirect owner of MLP.

In connection with the Colony Transaction and pursuant to the Redemption Agreement, the Meadowlands Venture redeemed (the "Redemption") the Company's entire interest in the Meadowlands Venture and its right to participate in the development of the ERC component in exchange for (i) $22.5 million in cash and (ii) a non-economic partner interest in each of the office and hotel components of Meadowlands Xanadu. In connection with the Redemption, the Operating Partnership also received a non-interest bearing promissory note for an additional $2.5 million, which note is payable in full by MLP only at such time as the Operating Partnership exercises one of its options to develop the first of the office and hotel components of Meadowlands Xanadu. The Company's remaining investment of approximately $11.9 million is included in deferred charges and other assets, net, as of December 31, 2006 and March 31, 2007.

Concurrent with the execution of the Redemption Agreement, the Company also entered into the Mack-Cali Rights, Obligations and Option Agreement (the "Rights Agreement") by and among the Meadowlands Venture, MLP, Meadowlands Mack-Cali GP, L.L.C., Mack-Cali, Baseball Meadowlands Limited Partnership, A-B Office Meadowlands Mack-Cali Limited Partnership, C-D Office Meadowlands Limited Partnership, Hotel Meadowlands Mack-Cali Limited Partnership and ERC Meadowlands Mills/Mack-Cali Limited Partnership. Pursuant to the Rights Agreement, the Operating Partnership retained certain rights and obligations it held under the Meadowlands Xanadu Venture Agreement with respect to the development of the office and hotel components of Meadowlands Xanadu, including an option to develop any of the office or hotel components of Meadowlands Xanadu (each, a "Take Down Option"). Upon the exercise of an initial Take Down Option, the Operating Partnership will receive economic interests in each of the office or hotel component partnerships as both a general partner and a limited partner in the applicable office or hotel component, and following receipt of $2.5 million in full payment of the note from MLP, the Operating Partnership's ownership interest in each of the office or hotel component partnerships will be reduced from 80 percent (as provided in the Meadowlands Xanadu Venture Agreement) to 75 percent.

G&G MARTCO (Convention Plaza)

The Company held a 50 percent interest in G&G Martco, which owns Convention Plaza, a 305,618 square foot office building, located in San Francisco, California. On November 6, 2006, the Company sold substantially all of its interest in the venture to an affiliate of its joint venture partner for approximately $16.3 million, realizing a gain on the sale of approximately $10.8 million. The Company performed management and leasing services for the property owned by the joint venture through the date of sale and recognized $45,000 in fees for such services in the three months ended March 31, 2006.

PLAZA VIII AND IX ASSOCIATES, L.L.C.

Plaza VIII and IX Associates, L.L.C. is a joint venture between the Company and Columbia Development Company, L.L.C. ("Columbia"). The venture was formed to acquire land for future development, located on the Hudson River waterfront in Jersey City, New Jersey, adjacent to the Company's Harborside Financial Center office complex. The Company and Columbia each hold a 50 percent interest in the 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 venture owns undeveloped land currently used as a parking facility.

RAMLAND REALTY ASSOCIATES L.L.C. (One Ramland Road)

On August 20, 1998, the Company entered into a joint venture 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 and adjacent developable land, located in Orangeburg, 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 venture has a mortgage loan with a $14.9 million balance at March 31, 2007 secured by its office/flex property. The mortgage bears interest at a rate of LIBOR plus 175 basis points and was scheduled to mature in January 2007, with one two-year extension option, subject to certain conditions. In November 2006, the venture exercised its option to extend the term of the loan until January 2009.

The Company performs management, leasing and other services for the property owned by the joint venture and recognized $16,000 and $16,000 in fees for such services in the three months ended March 31, 2007 and 2006, respectively.

SOUTH PIER AT HARBORSIDE - HOTEL DEVELOPMENT

On November 17, 1999, the Company entered into a joint venture with Hyatt Corporation ("Hyatt") to develop a 350-room hotel on the South Pier at Harborside Financial Center, Jersey City, New Jersey, which was completed and commenced initial operations in July 2002. The Company owns a 50 percent interest in the venture.

On October 12, 2006, the venture obtained a $70.0 million mortgage loan (with a balance as of March 31, 2007 of $69.7 million) collateralized by the hotel property using the proceeds principally to retire $38.9 million of floating-rate debt and to make distributions to partners. The loan carries an interest rate of 6.15 percent and matures in November 2016. The venture has a loan with a balance as of March 31, 2007 of $7.3 million with the City of Jersey City, provided by the U.S. Department of Housing and Urban Development. The loan currently bears interest at fixed rates ranging from 6.09 percent to 6.62 percent and matures in August 2020. The Company has posted a $7.3 million letter of credit in support of this loan, $3.6 million of which is indemnified by Hyatt.

RED BANK CORPORATE PLAZA L.L.C./RED BANK CORPORATE PLAZA II, L.L.C.

On March 23, 2006, the Company entered into a joint venture with the PRC Group ("PRC") to form Red Bank Corporate Plaza L.L.C. The venture was formed to develop Red Bank Corporate Plaza, a 92,878 square foot office building located in Red Bank, New Jersey, which has been fully pre-leased to Hovnanian Enterprises, Inc. for a 10-year term. The Company holds a 50 percent interest in the venture. PRC contributed the vacant land for the development of the office building as its initial capital in the venture. The Company funded the costs of development up to the value of the land contributed by PRC of $3.5 million as its initial capital.

On October 20, 2006, the venture entered into a $22.0 million construction loan with a commercial bank collateralized by the land and development project. The loan (with a balance as of March 31, 2007 of $12.7 million), carries an interest rate of LIBOR plus 130 basis points and matures in April 2008. The loan currently has three one-year extension options subject to certain conditions, each of which requires payment of a fee.

On July 20, 2006, the Company entered into a second joint venture agreement with PRC to form Red Bank Corporate Plaza II L.L.C. The venture was formed to hold land on which it plans to develop Red Bank Corporate Plaza II, an 18,561 square foot office building located in Red Bank, New Jersey. The Company holds a 50 percent interest in the venture. The terms of the venture are similar to Red Bank Corporate Plaza L.L.C. PRC contributed the vacant land as its initial capital in the venture.

MACK-GREEN-GALE LLC

On May 9, 2006, as part of the Gale/Green transactions completed in May 2006, the Company entered into a joint venture, Mack-Green-Gale LLC ("Mack-Green"), with SL Green, pursuant to which Mack-Green holds a 96 percent interest and acts as general partner of Gale SLG NJ Operating Partnership, L.P. (the "OP LP"). The Company's acquisition cost for its interest in Mack-Green was approximately $125 million, which was funded primarily through borrowing under the Company's revolving credit facility. The OP LP owns 100 percent of entities which own 25 office properties (the "OP LP Properties") which aggregate 3.5 million square feet (consisting of 17 office properties aggregating 2.3 million square feet located in New Jersey and eight properties aggregating 1.2 million square feet located in Troy, Michigan), as well as a minor, non-controlling interest in four office properties aggregating 419,000 square feet located in Naperville, Illinois.

As defined in the Mack-Green operating agreement, the Company shares decision-making equally with SL Green regarding: (i) all major decisions involving the operations of Mack-Green; and (ii) overall general partner responsibilities in operating the OP LP.

The Mack-Green operating agreement generally provides for profits and losses to be allocated as follows:

(i) 99 percent of Mack-Green's share of the profits and losses from 10 specific OP LP Properties allocable to the Company and one percent allocable to SL Green;
(ii) one percent of Mack-Green's share of the profits and losses from eight specific OP LP Properties and its minor interest in four office properties allocable to the Company and 99 percent allocable to SL Green; and
(iii) 50 percent of all other profits and losses allocable to the Company and 50 percent allocable to SL Green.

Substantially all of the OP LP Properties are encumbered by mortgage loans with an aggregate outstanding principal balance of $359.3 million at March 31, 2007. $189.4 million of the mortgage loans bear interest at a weighted average fixed interest rate of 6.32 percent per annum and mature at various times through May 2016. $170.0 million of the mortgage loans bear interest at a floating rate ranging from LIBOR plus 185 basis points to LIBOR plus 400 basis points per annum and mature at various times through January 2009. Included in the floating rate mortgage loans are $90.3 million provided by an affiliate of SL Green.

On August 9, 2006, $69.7 million of mortgage loans were refinanced. The new loan has a maximum principal amount of $90.0 million with $78.9 million drawn at March 31, 2007. The loan provides the ability to draw funds for qualified leasing and capital improvement costs. The loan bears interest at a rate of LIBOR plus 185 basis points and matures on August 8, 2008 with a two-year extension option.

The Company performs management, leasing, and construction services for the properties owned by the joint venture and recognized $598,700 in income (net of $529,300 in direct costs) for such services in the three months ended March 31, 2007.

GE/GALE FUNDING LLC (PFV)
The Gale agreement signed as part of the Gale/Green transactions in May 2006 provides for the Company to acquire certain ownership interests in real estate projects (the "Non-Portfolio Properties"), subject to obtaining certain third party consents and the satisfaction of various project-related and/or other conditions. Each of the Company's acquired interests in the Non-Portfolio Properties provide for the initial distributions of net cash flow solely to the Company, and thereafter an affiliate of Mr. Gale ("Gale Affiliate") has participation rights ("Gale Participation Rights") in 50 percent of the excess net cash flow remaining after the distribution to the Company of the aggregate amount equal to the sum of: (a) the Company's capital contributions, plus (b) an internal rate of return ("IRR") of 10 percent per annum, accruing on the date or dates of the Company's investments.

On May 9, 2006, as part of the Gale/Green transactions, the Company acquired from a Gale Affiliate for $1.8 million a 50 percent controlling interest in GMW Village Associates, LLC ("GMW Village"). GMW Village holds a 20 percent interest in GE/Gale Funding LLC ("GE Gale"). GE Gale owns a 100 percent interest in the entity owning Princeton Forrestal Village, a mixed-use, office/retail complex aggregating 527,015 square feet and located in Plainsboro, New Jersey ("Princeton Forrestal Village" or "PFV").

In addition to the cash consideration paid to acquire the interest, the Company provided a Gale affiliate with the Gale Participation Rights.

The operating agreement of GE Gale, which is owned 80 percent by GEBAM, Inc., provides for, among other things, distributions of net cash flow, initially, in proportion to each member's interest and subject to adjustment upon achievement of certain financial goals, as defined in the operating agreement.

GE Gale has a mortgage loan with a balance of $52.8 million at March 31, 2007. The loan bears interest at a rate of LIBOR plus 275 basis points and matures on January 9, 2009, with an extension option through January 9, 2011.

The Company performs management, leasing, and construction services for PFV and recognized $211,500 in income (net of $714,000 in direct costs) for such services in the three months ended March 31, 2007.

ROUTE 93 MASTER LLC ("Route 93 Participant")/ROUTE 93 BEDFORD MASTER LLC (with the Route 93 Participant, collectively, the "Route 93 Venture")
On June 1, 2006, the Route 93 Venture was formed between the Route 93 Participant, a majority-owned subsidiary of the Company, having a 30 percent interest and the Commingled Pension Trust Fund (Special Situation Property) of JPMorgan Chase Bank having a 70 percent interest, for the purpose of acquiring seven office buildings, aggregating 666,697 square feet, located in the towns of Andover, Bedford and Billerica, Massachusetts. Profits and losses are shared by the partners in proportion to their respective interests until the investment yields an 11 percent IRR, then sharing will shift to 40/60, and when the IRR reaches 15 percent, then sharing will shift to 50/50.

The Route 93 Participant is a joint venture between the Company and a Gale affiliate. Profits and losses are shared by the partners under this venture in proportion to their respective interests (83.3/16.7) until the investment yields an 11 percent IRR, then sharing will shift to 50/50.

The Route 93 Ventures have mortgage loans with an amount not to exceed $58.6 million, with a $39.4 million balance at March 31, 2007 collateralized by its office properties. The loan provides the venture the ability to draw additional monies for qualified leasing and capital improvement costs. The loan bears interest at a rate of LIBOR plus 220 basis points and matures on July 11, 2008, with three one-year extension options.

GALE KIMBALL, L.L.C.

On June 15, 2006, the Company entered into a joint venture with a Gale Affiliate to form M-C Kimball, LLC ("M-C Kimball"). M-C Kimball was formed for the sole purpose of acquiring a Gale Affiliate's 33.33 percent membership interest in Gale Kimball, L.L.C. ("Gale Kimball"), an entity holding a 25 percent interest in 100 Kimball Drive LLC ("100 Kimball"), which is developing a 175,000 square foot office property located at 100 Kimball Drive, Parsippany, New Jersey (the "Kimball Property").

The operating agreement of M-C Kimball provides, among other things, for the Gale Participation Rights (of which Mark Yeager, an Executive Vice President of the Company, has a direct 26 percent interest).

Gale Kimball is owned 33.33 percent by M-C Kimball and 66.67 percent by the Hampshire Generational Fund, L.L.C. ("Hampshire"). The operating agreement of Gale Kimball provides, among other things, for the distribution of net cash flow, initially, in accordance with its members' respective membership interests and, upon achievement of certain financial conditions, 50 percent to each of the Company and Hampshire.

100 Kimball is owned 25 percent by Gale Kimball and 75 percent by 100 Kimball Drive Realty Member LLC, an affiliate of JP Morgan ("JPM"). The operating agreement of 100 Kimball provides, among other things, for the distributions to be made in the following order:

(i) first, to JPM, such that JPM is provided with an annual 12 percent compound preferred return on Preferred Equity Capital Contributions (as such term is defined in the operating agreement of 100 Kimball and largely comprised of development and construction costs);

(ii) second, to JPM, as return of Preferred Equity Capital Contributions until complete repayment of such Preferred Equity Capital Contributions;

(iii) third, to each of JPM and Gale Kimball in proportion to their respective membership interests until each member is provided, as a result of such distributions, with an annual twelve percent compound return on the Member's Capital Contributions (as defined in the operating agreement of 100 Kimball, and excluding Preferred Equity Capital Contributions, if any); and

(iv) fourth, 50 percent to each of JPM and Gale Kimball.

100 Kimball has a construction loan in an amount not to exceed $29 million, with a balance at March 31, 2007 of $16.7 million. The loan bears interest at a rate of LIBOR plus 195 basis points and matures on December 8, 2008 with a one-year extension option.

The Company performs construction and development services for the property owned by 100 Kimball for which it recognized $13,000 in income (net of $747,000 in direct costs) in the three months ended March 31, 2007.

55 CORPORATE PARTNERS, LLC

On June 9, 2006, the Company entered into a joint venture with a Gale Affiliate to form 55 Corporate Partners, LLC ("55 Corporate"). 55 Corporate was formed for the sole purpose of acquiring from a Gale Affiliate a 50 percent interest in SLG 55 Corporate Drive II, LLC ("SLG 55"), an entity indirectly holding a condominium interest in a vacant land parcel located in Bridgewater, New Jersey, which can accommodate development of an approximately 200,000 square foot office building. Sanofi-Aventis, which occupies neighboring buildings, has an option to cause the venture to construct the building, which it would lease on a long-term basis. Sanofi-Aventis is required to pay a penalty of $7 million, subject to certain conditions, in the event it fails to exercise the option by November 2007. The remaining 50 percent in SLG 55 is owned by SLG Gale 55 Corporate LLC, an affiliate of SL Green Realty Corp ("SLG Gale 55").

The operating agreement of 55 Corporate provides, among other things, for the Gale Participation Rights (of which Mr. Yeager has a direct 26 percent interest). If Mr. Gale receives any commission payments with respect to a Sanofi lease on the development property, Mr. Gale has agreed to pay to Mr. Yeager 26 percent of such payments.

The operating agreement of SLG 55 provides, among other things, for the distribution of the available net cash flow to each of 55 Corporate and SLG Gale 55 in proportion to their respective membership interests in SLG 55 (50 percent each).

12 VREELAND ASSOCIATES, L.L.C.

On September 8, 2006, the Company entered into a joint venture with a Gale Affiliate to form M-C Vreeland, LLC ("M-C Vreeland"). M-C Vreeland was formed for the sole purpose of acquiring a Gale Affiliate's 50 percent membership interest in 12 Vreeland Associates, L.L.C., an entity owning an office property located at 12 Vreeland Road, Florham Park, New Jersey.

The operating agreement of M-C Vreeland provides, among other things, for the Gale Participation Rights (of which Mr. Yeager has a direct 15 percent interest).

The office property at 12 Vreeland is a 139,750 square foot office building that is fully leased to a single tenant through June 15, 2012. The property is subject to a mortgage loan, which matures on July 1, 2012, in the initial amount of $18.1 million bearing interest at 6.9 percent per annum. As of March 31, 2007 the outstanding balance on the mortgage note was $9.9 million.

Under the operating agreement of 12 Vreeland Associates, L.L.C., M-C Vreeland has a 50 percent interest, with S/K Florham Park Associates, L.L.C. (the managing member) and its affiliate holding the other 50 percent.

BOSTON-FILENES

On October 20, 2006, the Company formed a joint venture (the "MC/Gale JV LLC") with Gale International/426 Washington St. LLC ("Gale/426"), which, in turn, entered into a joint venture (the "Vornado JV LLC") with VNO 426 Washington Street JV LLC ("Vornado"), an affiliate of Vornado Realty LP, which was formed to acquire and redevelop the Filenes property located in the Downtown Crossing district of Boston, Massachusetts (the "Filenes Property").

On January 25, 2007, (i) each of M-C/Gale JV LLC, Gale and Washington Street Realty Member LLC ("JPM") formed a joint venture ("JPM JV LLC"), (ii) M-C/Gale JV LLC assigned its entire 50 percent ownership interest in the Vornado JV LLC to JPM JV LLC, (iii) the Limited Liability Company Agreement of Vornado JV LLC was amended to reflect, among other things, the change in the ownership structure described in subsection (ii) above, and (iv) the Limited Liability Company Agreement of MC/Gale JV LLC was amended and restated to reflect, among other things, the change in the ownership structure described in subsection (ii) above. In January 2007, the Company funded an additional $9.6 million in the venture. The Vornado JV LLC acquired the Filenes Property on January 29, 2007, for approximately $100 million.

As a result of the foregoing transactions, as of January 29, 2007, (i) the Filenes Property is owned by Vornado JV LLC, (ii) Vornado JV LLC is owned 50 percent by each of Vornado and JPM JV LLC, (iii) JPM JV LLC is owned 30 percent by M-C/Gale JV LLC, 70 percent by JPM and managed by Gale/426, which has no ownership interest in JPM JV LLC, and (iv) M-C/Gale JV LLC is owned 99.99 percent by the Company and 0.01 percent by Gale/426. Thus, the Company holds approximately a 15 percent indirect ownership interest in the Vornado JV LLC and the Filenes Property.

Distributions are made (i) by Vornado JV LLC in proportion to its members' respective ownership interests, (ii) by JPM JV LLC (a) initially, in proportion to its members' respective ownership interests until JPM's investment yields an 11 percent IRR, (b) thereafter, 60/40 to JPM and MC/Gale JV LLC, respectively, until JPM's investment yields a 15 percent IRR and (c) thereafter, 50/50 to JPM and MC/Gale JV LLC, respectively, and (iii) by MC/Gale JV LLC (w) initially, in proportion to its members' respective ownership interests until each member has received a 10 percent IRR on its investment, (x) thereafter, 65/35 to the Company and Gale/426, respectively, until the Company's investment yields a 15 percent IRR, (y) if by the time the Company receives a 15 percent IRR on its investment, Gale/426 has not done so, 100 percent to Gale/426 until Gale/426's investment yields a 15 percent IRR, and (z) thereafter, 50/50 to each of the Company and Gale/426.

The joint venture's current plans for the development of the Filenes Property include approximately 1.2 million square feet consisting of office, retail, condominium apartments, hotel and a garage. The project is subject to governmental approvals.

NKFGMS OWNERS, LLC

On December 28, 2006, the Company contributed its facilities management business, which was acquired on May 9, 2006 as part of the Gale/Green transactions, to a newly-formed joint venture called NKFGMS Owners, LLC. With the contribution, the Company received $600,000 in cash and a 40 percent interest in the joint venture. The Company and a joint venture partner agreed to loan up to $3 million in total to the venture from time to time until December 28, 2009, which shall be funded by each of the Company and the joint venture partner on a pro-rata basis in an amount not to exceed $1.5 million, respectively. The joint venture operating agreement provides for, among other things, profits and losses generally to be allocated in proportion to each member's interest. In connection with the Contribution, the Company recognized a loss of approximately $1.5 million.

SUMMARIES OF UNCONSOLIDATED JOINT VENTURES

The following is a summary of the financial position of the unconsolidated joint ventures in which the Company had investment interests as of March 31, 2007 and December 31, 2006: *(dollars in thousands)*

	March 31, 2007												
	Plaza VIII & IX Associates	Ramland Realty	Harborside South Pier	Red Bank Corporate Plaza	Mack-Green-Gale	Princeton Forrestal Village	Route 93 Portfolio	Gale Kimball	55 Corporate	12 Vreeland	NKFGMS Boston-Filenes	Owners LLC	Combined Total
Assets:													
Rental property, net	$ 11,250	$ 11,992	$ 67,819	$ 17,751	$ 479,024	$ 41,255	$ 58,343	$ 27,860	$ 17,000	$ 8,154	--	$ 242	$ 740,690
Other assets	1,625	825	11,486	2,089	72,453	28,419	5,721	654	--	887	$ 49,545	5,452	179,156
Total assets	$ 12,875	$ 12,817	$ 79,305	$ 19,840	$ 551,477	$ 69,674	$ 64,064	$ 28,514	$ 17,000	$ 9,041	$ 49,545	$ 5,694	$ 919,846
Liabilities and partners'/members' capital (deficit):													
Mortgages, loans payable and other obligations	--	$ 14,906	$ 77,012	$ 12,694	$ 359,348	$ 52,800	$ 39,435	$ 16,710	--	$ 9,922	--	--	$ 582,827
Other liabilities	$ 529	409	3,288	23	36,125	7,224	1,072	--	--	--	$ 139	$ 4,622	53,431
Partners'/members' capital (deficit)	12,346	(2,498)	(995)	7,123	156,004	9,650	23,557	11,804	$ 17,000	(881)	49,406	1,072	283,588
Total liabilities and partners'/members' capital (deficit)	$ 12,875	$ 12,817	$ 79,305	$ 19,840	$ 551,477	$ 69,674	$ 64,064	$ 28,514	$ 17,000	$ 9,041	$ 49,545	$ 5,694	$ 919,846
Company's investment in unconsolidated joint ventures, net	$ 6,093	--	--	$ 3,713	$ 118,684	$ 2,429	$ 5,754	$ 1,032	$ 8,500	$ 7,251	$ 14,976	$ 429	$ 168,861

	December 31, 2006												
	Plaza VIII & IX Associates	Ramland Realty	Harborside South Pier	Red Bank Corporate Plaza	Mack-Green-Gale	Princeton Forrestal Village	Route 93 Portfolio	Gale Kimball	55 Corporate	12 Vreeland	NKFGMS Boston-Filenes	Owners LLC	Combined Total
Assets:													
Rental property, net	$ 11,404	$ 12,141	$ 69,303	$ 12,462	$ 480,867	$ 37,825	$ 48,699	$ 26,601	$ 17,000	$ 8,221	--	$ 239	$ 724,762
Other assets	1,408	841	11,170	3,309	76,897	25,025	5,916	654	--	909	$ 10,500	2,638	139,267
Total assets	$ 12,812	$ 12,982	$ 80,473	$ 15,771	$ 557,764	$ 62,850	$ 54,615	$ 27,255	$ 17,000	$ 9,130	$ 10,500	$ 2,877	$ 864,029
Liabilities and partners'/members' capital (deficit):													
Mortgages, loans payable and other obligations	--	$ 14,936	$ 77,217	$ 8,673	$ 358,063	$ 47,761	$ 34,413	$ 15,350	--	$10,253	--	--	$ 566,666
Other liabilities	$ 532	257	4,944	8	39,497	4,839	587	--	--	--	--	$ 1,329	51,993
Partners'/members' capital (deficit)	12,280	(2,211)	(1,688)	7,090	160,204	10,250	19,615	11,905	$ 17,000	(1,123)	$ 10,500	1,548	245,370
Total liabilities and partners'/members' capital (deficit)	$ 12,812	$ 12,982	$ 80,473	$ 15,771	$ 557,764	$ 62,850	$ 54,615	$ 27,255	$ 17,000	$ 9,130	$ 10,500	$ 2,877	$ 864,029
Company's investment in unconsolidated joint ventures, net	$ 6,060	--	--	$ 3,647	$ 119,061	$ 2,560	$ 6,669	$ 1,024	$ 8,500	$ 7,130	$ 5,250	$ 400	$ 160,301

SUMMARIES OF UNCONSOLIDATED JOINT VENTURES

The following is a summary of the results of operations of the unconsolidated joint ventures for the period in which the Company had investment interests during the three months ended March 31, 2007 and 2006: *(dollars in thousands)*

	Three Months Ended March 31, 2007														
	Meadowlands Xanadu	G&G Martco	Plaza VIII & IX Associates	Ramland Realty	Harborside South Pier	Red Bank Corporate Plaza	Mack-Green-Gale	Princeton Forrestal Village	Route 93 Portfolio	Gale Kimball	55 Corporate	12 Vreeland	Boston-Filenes	NKFGMS Owners LLC	Combined Total
Total revenues	--	--	$ 259	$ 526	$ 8,938	--	$ 16,440	$ 2,868	$ 325	--	--	$ 524	$ 326	$ 8,990	$ 39,196
Operating and other expenses	--	--	(39)	(374)	(5,563)	--	(7,442)	(1,631)	(888)	$ (9)	--	(19)	(261)	(8,918)	(25,144)
Depreciation and amortization	--	--	(154)	(175)	(1,478)	--	(6,735)	(751)	(1,624)	--	--	(88)	--	--	(11,005)
Interest expense	--	--	--	(264)	(1,203)	--	(6,624)	(1,106)	(732)	(93)	--	(175)	--	--	(10,197)
Net income	--	--	$ 66	$ (287)	$ 694	--	$ (4,361)	$ (620)	$ (2,919)	$ (102)	--	$ 242	$ 65	$ 72	$ (7,150)
Company's equity in earnings (loss) of unconsolidated joint ventures	--	--	$ 33	--	$ 347	--	$ (1,736)	$ (132)	$ (904)	$ (8)	--	$ 121	$ 19	$ 29	$ (2,231)

	Three Months Ended March 31, 2006														
	Meadowlands Xanadu	G&G Martco	Plaza VIII & IX Associates	Ramland Realty	Harborside South Pier	Red Bank Corporate Plaza	Mack-Green-Gale	Princeton Forrestal Village	Route 93 Portfolio	Gale Kimball	55 Corporate	12 Vreeland	Boston-Filenes	NKFGMS Owners LLC	Combined Total
Total revenues	--	$1,869	$ 126	$ 512	$ 7,829	--	--	--	--	--	--	--	--	--	$ 10,336
Operating and other expenses	--	(902)	(42)	(340)	(4,885)	--	--	--	--	--	--	--	--	--	(6,169)
Depreciation and amortization	--	(355)	(154)	(188)	(1,449)	--	--	--	--	--	--	--	--	--	(2,146)
Interest expense	--	(725)	--	(236)	(950)	--	--	--	--	--	--	--	--	--	(1,911)
Net income	--	$ (113)	$ (70)	$ (252)	$ 545	--	--	--	--	--	--	--	--	--	$ 110
Company's equity in earnings (loss) of unconsolidated joint ventures	--	$ 10	$ (35)	--	$ 272	--	--	--	--	--	--	--	--	--	$ 247

5. DEFERRED CHARGES AND OTHER ASSETS

(dollars in thousands)	March 31, 2007	December 31, 2006
Deferred leasing costs	$181,994	$184,175
Deferred financing costs	21,252	21,252
	203,246	205,427
Accumulated amortization	(74,448)	(76,407)
Deferred charges, net	128,798	129,020
Notes receivable	11,728	11,769
In-place lease values, related intangible and other assets, net	53,014	58,495
Prepaid expenses and other assets, net	50,656	41,353
Total deferred charges and other assets, net	$244,196	$240,637

6. DISCONTINUED OPERATIONS

On March 15, 2007, the Company entered into an agreement to sell its 121,250 square-foot office building located at 500 West Putnam Avenue in Greenwich, Connecticut for $56 million. This transaction is contingent upon the Company's completion of a contracted acquisition of the Broad Street Condo from an affiliate of the buyer. The Company expects to complete these transactions in the second quarter 2007.

On April 10, 2007, the Company entered into an agreement to sell its 133,000 square-foot office building located at 1000 Bridgeport Avenue in Shelton, Connecticut for $16.8 million. The Company expects to complete the sale of the property in the second quarter 2007.

The above referenced properties are identified as held for sale as of March 31, 2007 and carried an aggregate book value of $30.3 million, net of accumulated depreciation of $8.7 million.

The Company has presented these assets as discontinued operations in its statements of operations for the periods presented. As the Company sold 300 Westage Business Center Drive in Fishkill, New York, 1510 Lancer Drive in Moorestown, New Jersey; a Colorado portfolio in various cities throughout Colorado; and a California portfolio in San Francisco, California during the year ended December 31, 2006, the Company has presented these assets as discontinued operations in its statements of operations for all periods presented.

The following tables summarize income from discontinued operations (net of minority interest) for the three month periods ended March 31, 2007 and 2006: *(dollars in thousands)*

	Three Months Ended March 31,	
	2007	2006
Total revenues	$ 1,731	$ 11,647
Operating and other expenses	(715)	(4,778)
Depreciation and amortization	(343)	(3,064)
Interest expense (net of interest income)	(348)	(348)
Minority interest	(61)	(649)
Income from discontinued operations (net of minority interest)	$ 264	$ 2,808

7. SENIOR UNSECURED NOTES

A summary of the Company's senior unsecured notes as of March 31, 2007 and December 31, 2006 is as follows: *(dollars in thousands)*

	March 31, 2007	December 31, 2006	Effective Rate (1)
7.250% Senior Unsecured Notes, due March 15, 2009	$ 299,540	$ 299,481	7.49%
5.050% Senior Unsecured Notes, due April 15, 2010	149,833	149,819	5.27%
7.835% Senior Unsecured Notes, due December 15, 2010	15,000	15,000	7.95%
7.750% Senior Unsecured Notes, due February 15, 2011	299,338	299,295	7.93%
5.250% Senior Unsecured Notes, due January 15, 2012	99,064	99,015	5.46%
6.150% Senior Unsecured Notes, due December 15, 2012	92,104	91,981	6.89%
5.820% Senior Unsecured Notes, due March 15, 2013	25,447	25,420	6.45%
4.600% Senior Unsecured Notes, due June 15, 2013	99,822	99,815	4.74%
5.125% Senior Unsecured Notes, due February 15, 2014	201,648	201,708	5.11%
5.125% Senior Unsecured Notes, due January 15, 2015	149,279	149,256	5.30%
5.800% Senior Unsecured Notes, due January 15, 2016	200,673	200,692	5.81%
Total Senior Unsecured Notes	$ 1,631,748	$ 1,631,482	

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

8. UNSECURED REVOLVING CREDIT FACILITY

The Company has an unsecured revolving credit facility with a borrowing capacity of $600 million, (expandable to $800 million). The interest rate on outstanding borrowings (not electing the Company's competitive bid feature) under the unsecured facility is currently LIBOR plus 65 basis points. The facility has a competitive bid feature, which allows the Company to solicit bids from lenders under the facility to borrow up to $300 million at interest rates less than the current LIBOR plus 65 basis point spread. The Company may also elect an interest rate representing the higher of the lender's prime rate or the Federal Funds rate plus 50 basis points. The unsecured facility, which also requires a 15 basis point facility fee on the current borrowing capacity payable quarterly in arrears, is scheduled to mature in November 2009 and has an extension option of one year, which would require a payment of 25 basis points of the then borrowing capacity of the facility upon exercise.

The interest rate and the facility fee are subject to adjustment, on a sliding scale, based upon the operating partnership's unsecured debt ratings. In the event of a change in the Operating Partnership's unsecured debt rating, the interest and facility fee rates will be adjusted in accordance with the following table:

Operating Partnership's Unsecured Debt Ratings: S&P Moody's/Fitch (a)	**Interest Rate - Applicable Basis Points Above LIBOR**	**Facility Fee Basis Points**
No ratings or less than BBB-/Baa3/BBB-	112.5	25.0
BBB-/Baa3/BBB-	80.0	20.0
BBB/Baa2/BBB (current)	65.0	15.0
BBB+/Baa1/BBB+	55.0	15.0
A-/A3/A- or higher	50.0	15.0

(a) If the Operating Partnership has debt ratings from two rating agencies, one of which is Standard & Poor's Rating Services ("S&P") or Moody's Investors Service ("Moody's"), the rates per the above table shall be based on the lower of such ratings. If the Operating Partnership has debt ratings from three rating agencies, one of which is S&P or Moody's, the rates per the above table shall be based on the lower of the two highest ratings. If the Operating Partnership has debt ratings from only one agency, it will be considered to have no rating or less than BBB-/Baa3/BBB- per the above table.

The terms of the unsecured facility include certain restrictions and covenants which limit, among other things, the payment of dividends (as discussed below), the incurrence of additional indebtedness, the incurrence of liens and the disposition of real estate properties (to the extent that: (i) such property dispositions cause the Company to default on any of the financial ratios of the facility described below, or (ii) the property dispositions are completed while the Company is under an event of default under the facility, unless, under certain circumstances, such disposition is being carried out to cure such default), 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 fixed charge coverage, the maximum amount of unsecured indebtedness, the minimum amount of unencumbered property interest 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 common equity interests in an aggregate amount in excess of 90 percent of funds from operations (as defined in the facility agreement) for such period, subject to certain other adjustments.

The lending group for the credit facility consists of: JPMorgan Chase Bank, N.A., as administrative agent; Bank of America, N.A., as syndication agent; The Bank of Nova Scotia, New York Agency; Wachovia Bank, National Association; and Wells Fargo Bank, National Association, as documentation agents; SunTrust Bank, as senior managing agent; US Bank National Association; Citicorp North America, Inc.; and PNC Bank National Association, as managing agents; and Bank of China, New York Branch; The Bank of New York; Chevy Chase Bank, F.S.B.; The Royal Bank of Scotland, plc; Mizuho Corporate Bank, Ltd.; UFJ Bank Limited, New York Branch; The Governor and Company of the Bank of Ireland; Bank Hapoalim B.M.; Comerica Bank; Chang Hwa Commercial Bank, Ltd., New York Branch; First Commercial Bank, New York Agency; Chiao Tung Bank Co., Ltd., New York Agency; Deutsche Bank Trust Company Americas; and Hua Nan Commercial Bank, New York Agency.

SUMMARY
As of March 31, 2007 and December 31, 2006, the Company had outstanding borrowings of $0 and $145.0 million, respectively, under its unsecured revolving credit facility.

9. MORTGAGES, LOANS PAYABLE AND OTHER OBLIGATIONS

The Company has mortgages, loans payable and other obligations which primarily consist of various loans collateralized by certain of the Company's rental properties. As of March 31, 2007, 18 of the Company's properties, with a total book value of approximately $516.5 million, are encumbered by the Company's mortgages and loans payable. Payments on mortgages, loans payable and other obligations are generally due in monthly installments of principal and interest, or interest only.

A summary of the Company's mortgages, loans payable and other obligations as of March 31, 2007 and December 31, 2006 is as follows: *(dollars in thousands)*

Property Name	Lender	Effective Interest Rate (a)	Principal Balance at March 31, 2007	Principal Balance at December 31, 2006	Maturity
Mack-Cali Airport	Allstate Life Insurance Co.	7.05%	--	$ 9,422	(b)
6303 Ivy Lane	State Farm Life Insurance Co.	5.57%	--	6,020	(c)
6404 Ivy Lane	TIAA	5.58%	$ 13,509	13,665	08/01/08
Assumed obligations	Various	4.91%	35,666	38,742	05/01/09 (d)
Various (e)	Prudential Insurance	4.84%	150,000	150,000	01/15/10
105 Challenger Road	Archon Financial CMBS	6.24%	18,803	18,748	06/06/10
2200 Renaissance Boulevard	TIAA	5.89%	17,727	17,819	12/01/12
Soundview Plaza	TIAA	6.02%	17,906	18,013	01/01/13
9200 Edmonston Road	Principal Commercial Funding L.L.C.	5.53%	5,198	5,232	05/01/13
6305 Ivy Lane	John Hancock Life Insurance Co.	5.53%	7,239	7,285	01/01/14
395 West Passaic	State Farm Life Insurance Co.	6.00%	12,898	12,996	05/01/14
6301 Ivy Lane	John Hancock Life Insurance Co.	5.52%	6,780	6,821	07/01/14
35 Waterview Blvd.	Wachovia CMBS	6.35%	20,259	20,318	08/11/14
500 West Putnam Avenue (f)	New York Life Insurance Co.	5.57%	25,000	25,000	01/10/16
23 Main Street	JP Morgan CMBS	5.59%	33,284	33,396	09/01/18
Total mortgages, loans payable and other obligations			$364,269	$383,477	

(a) Reflects effective rate of debt, including deferred financing costs, comprised of the cost of terminated treasury lock agreements (if any), debt initiation costs and other transaction costs, as applicable.

(b) On February 5, 2007, the Company repaid this mortgage loan at par, using available cash.

(c) On February 15, 2007, the Company repaid this mortgage loan at par, using available cash.

(d) The obligations mature at various times through May 2009.

(e) Mortgage is collateralized by seven properties.

(f) Property securing this mortgage is under contract for sale and is included in Rental Property Held For Sale.

CASH PAID FOR INTEREST AND INTEREST CAPITALIZED

Cash paid for interest for the three months ended March 31, 2007 and 2006 was $47,390,000 and $40,170,000 respectively. Interest capitalized by the Company for the three months ended March 31, 2007 and 2006 was $1,324,000 and $1,487,000, respectively.

SUMMARY OF INDEBTEDNESS

As of March 31, 2007, the Company's total indebtedness of $1,996,017,000 (weighted average interest rate of 6.14 percent) was comprised entirely of fixed rate debt.

As of December 31, 2006, the Company's total indebtedness of $2,159,959,000 (weighted average interest rate of 6.11 percent) was comprised of $145,000,000 of revolving credit facility borrowings (weighted average rate of 5.76 percent) and fixed rate debt of $2,014,959,000 (weighted average rate of 6.14 percent).

10. MINORITY INTERESTS

OPERATING PARTNERSHIP

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

PREFERRED UNITS

In connection with the Company's issuance of $25 million of Series C cumulative redeemable perpetual preferred stock, the Company acquired from the Operating Partnership $25 million of Series C Preferred Units (the "Series C Preferred Units"), which have terms essentially identical to the Series C preferred stock. See Note 14: Stockholders' Equity - Preferred Stock.

COMMON UNITS

Certain individuals and entities own common units in the Operating Partnership. A common unit and a share of common stock of the Company have substantially the same economic characteristics in as much as they effectively share equally in the net income or loss of the Operating Partnership. Common units are redeemable by the common unitholders at their option, subject to certain restrictions, on the basis of one common unit for either one share of common stock or cash equal to the fair market value of a share at the time of the redemption. The Company has the option to deliver shares of common stock in exchange for all or any portion of the cash requested. The common unitholders may not put the units for cash to the Company or the Operating Partnership. When a unitholder redeems a common unit, minority interest in the Operating Partnership is reduced and the Company's investment in the Operating Partnership is increased.

UNIT TRANSACTIONS

The following table sets forth the changes in minority interest which relate to the common units in the Operating Partnership for the three months ended March 31, 2007: *(dollars in thousands)*

	Common Units	Common Unitholders
Balance at January 1, 2007	15,342,283	$480,103
Net income	--	4,323
Distributions	--	(9,728)
Redemption of common units for shares of Common Stock	(141,522)	(4,428)
Balance at March 31, 2007	15,200,761	$470,270

MINORITY INTEREST OWNERSHIP

As of March 31, 2007 and December 31, 2006, the minority interest common unitholders owned 18.3 percent and 19.6 percent of the Operating Partnership, respectively.

CONSOLIDATED JOINT VENTURES

The Company has ownership interests in certain joint ventures which it consolidates. Various entities and/or individuals hold minority interests in these ventures.

11. EMPLOYEE BENEFIT 401(k) PLANS

Employees of the Company, other than those assigned to the Gale Company and affiliated employers, 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 from 1 to 30 percent of their annual compensation, subject to certain limitations imposed by federal law. The amounts contributed by employees are immediately vested and non-forfeitable. The Company, at management's discretion, may match employee contributions and/or make discretionary contributions. Total expense recognized by the Company for the 401(k) Plan for the three months ended March 31, 2007 and 2006 was $100,000 and $100,000, respectively.

All employees of the Gale Company and other affiliated participating employers, other than certain employees who are represented for collective bargaining purposes by a labor organization, who meet certain minimum age and period of service requirements are eligible to participate in a 401(k) defined contribution plan (the "Gale Plan"). The Gale Plan allows eligible employees to defer from their annual compensation, the maximum amount permitted under federal law. The amounts contributed by employees are immediately vested and non-forfeitable. The Gale Company or the participant's employer matches the employee's deferral at the rate of 50 percent on the first six percent of the employee's annual compensation for employees who have at least 1,000 hours of service and are employed on the last day of the plan year. In addition, the Company, at management's discretion, may make discretionary contributions. Participants become 50 percent vested in employer contributions after two years of service and become 100 percent vested after three years of service. Total expense recognized by the Company for the Gale Plan for the three months ended March 31, 2007 was $67,000.

12. COMMITMENTS AND CONTINGENCIES

TAX ABATEMENT AGREEMENTS

Pursuant to agreements with the City of Jersey City, New Jersey, the Company is required to make payments in lieu of property taxes ("PILOT") on certain of its properties located in Jersey City, as follows:

The Harborside Plaza 5 agreement, as amended, which commenced in 2002 upon substantial completion of the property, as defined, is for a term of 20 years. The PILOT is equal to two percent of Total Project Costs. Total Project Costs, as defined, are $159.6 million. The PILOT totaled $798,000 and $798,000 for the three months ended March 31, 2007 and 2006.

The Harborside Plaza 4-A agreement, which commenced in 2000, is for a term of 20 years. The PILOT is equal to two percent of Total Project costs, as defined, and increases by 10 percent in years 7, 10 and 13 and by 50 percent in year 16. Total Project costs, as defined, are $45.5 million. The PILOT totaled $250,000 and $227,000 for the three months ended March 31, 2007 and 2006, respectively.

At the conclusion of the above-referenced PILOT agreements, it is expected that the properties will be assessed by the municipality and be subject to real estate taxes at the then prevailing rates.

LITIGATION

The Company is a defendant in litigation arising in the normal course of its business activities. Management does not believe that the ultimate resolution of these matters will have a materially adverse effect upon the Company's financial condition taken as whole.

OPERATING LEASE AGREEMENTS

Future minimum rental payments under the terms of all non-cancelable operating leases under which the Company is the lessee, as of March 31, 2007, are as follows: *(dollars in thousands)*

Year	Amount
2007	268
2008	68
2009	16
2010	3
Total	$355

GROUND LEASE AGREEMENTS

Future minimum rental payments under the terms of all non-cancelable ground leases under which the Company is the lessee, as of March 31, 2007, are as follows: *(dollars in thousands)*

Year	Amount
2007	$ 381
2008	486
2009	501
2010	501
2011	501
2012 through 2084	35,454
Total	$37,824

Ground lease expense incurred by the Company during the three months ended March 31, 2007 and 2006 amounted to $159,000 and $152,000, respectively.

OTHER

The Company may not dispose of or distribute certain of its properties, currently comprising 50 properties with an aggregate net book value of approximately $1.3 billion, which were originally contributed by members of either the Mack Group (which includes William L. Mack, Chairman of the Company's Board of Directors; David S. Mack, director; Earle I. Mack, a former director; and Mitchell E. Hersh, president, chief executive officer and director), the Robert Martin Group (which includes Robert F. Weinberg, director; Martin S. Berger, a former director; and Timothy M. Jones, former president), the Cali Group (which includes John R. Cali, director, and John J. Cali, a former director) or certain other common unitholders without the express written consent of a representative of the Mack Group, the Robert Martin Group, the Cali Group or the specific certain other common unitholders, as applicable, except in a manner which does not result in recognition of any built-in-gain (which may result in an income tax liability) or which reimburses the appropriate Mack Group, Robert Martin Group, Cali Group members or the specific certain other common unitholders for the tax consequences of the recognition of such built-in-gains (collectively, the "Property Lock-Ups"). The aforementioned restrictions do not apply in the event that the Company sells all of its properties or in connection with a sale transaction which the Company's Board of Directors determines is reasonably necessary to satisfy a material monetary default on any unsecured debt, judgment or liability of the Company or to cure any material monetary default on any mortgage secured by a property. The Property Lock-Ups expire periodically through 2016. Upon the expiration of the Property Lock-Ups, the Company is generally required to use commercially reasonable efforts to prevent any sale, transfer or other disposition of the subject properties from resulting in the recognition of built-in gain to the appropriate Mack Group, Robert Martin Group, Cali Group members or the specific certain other common unitholders. 87 of our properties, with an aggregate net book value of approximately $805.8 million, have lapsed restrictions and are subject to these conditions.

13. TENANT LEASES

The Properties are leased to tenants under operating leases with various expiration dates through 2026. Substantially all of the leases provide for annual base rents plus recoveries and escalation charges based upon the tenant's proportionate share of and/or increases in real estate taxes and certain operating costs, as defined, and the pass-through of charges for electrical usage.

Future minimum rentals to be received under non-cancelable operating leases at March 31, 2007 are as follows: *(dollars in thousands)*

Year	Amount
2007	$ 415,174
2008	522,677
2009	475,183
2010	420,510
2011	353,218
2012 and thereafter	1,048,898
Total	$3,235,660

14. 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 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 demands written statements each year from the holders of record of designated percentages of its common stock requesting the disclosure of the beneficial owners of such common stock.

COMMON STOCK

On February 7, 2007, the Company completed an underwritten offer and sale of 4,650,000 shares of its common stock and used the net proceeds, which totaled approximately $252 million (after offering costs), primarily to pay down its outstanding borrowings under the Company's revolving credit facility and for general corporate purposes.

PREFERRED STOCK

On March 14, 2003, in a publicly registered transaction with a single institutional buyer, the Company completed the sale and issuance of 10,000 shares of eight-percent Series C cumulative redeemable perpetual preferred stock ("Series C Preferred Stock") in the form of 1,000,000 depositary shares ($25 stated value per depositary share). Each depositary share represents 1/100th of a share of Series C Preferred Stock. The Company received net proceeds of approximately $24.8 million from the sale.

The Series C Preferred Stock has preference rights with respect to liquidation and distributions over the common stock. Holders of the Series C Preferred Stock, except under certain limited conditions, will not be entitled to vote on any matters. In the event of a cumulative arrearage equal to six quarterly dividends, holders of the Series C Preferred Stock will have the right to elect two additional members to serve on the Company's Board of Directors until dividends have been paid in full. At March 31, 2007, there were no dividends in arrears. The Company may issue unlimited additional preferred stock ranking on a parity with the Series C Preferred Stock but may not issue any preferred stock senior to the Series C Preferred Stock without the consent of two-thirds of its holders. The Series C Preferred Stock is essentially on an equivalent basis in priority with the Preferred Units.

Except under certain conditions relating to the Company's qualification as a REIT, the Series C Preferred Stock is not redeemable prior to March 14, 2008. On and after such date, the Series C Preferred Stock will be redeemable at the option of the Company, in whole or in part, at $25 per depositary share, plus accrued and unpaid dividends.

SHARE REPURCHASE PROGRAM

The Company has authorization to repurchase up to $45.5 million of its outstanding common stock, which it may repurchase from time to time in open market transactions at prevailing prices or through privately negotiated transactions.

STOCK OPTION PLANS

In May 2004, the Company established the 2004 Incentive Stock Plan under which a total of 2,500,000 shares have been reserved for issuance. No options have been granted through March 31, 2007 under this plan. In September 2000, the Company established the 2000 Employee Stock Option Plan ("2000 Employee Plan") and the Amended and Restated 2000 Director Stock Option Plan ("2000 Director Plan"). In May 2002, shareholders of the Company approved amendments to both plans to increase the total shares reserved for issuance under both of the 2000 plans from 2,700,000 to 4,350,000 shares of the Company's common stock (from 2,500,000 to 4,000,000 shares under the 2000 Employee Plan and from 200,000 to 350,000 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 had been reserved for issuance (4,980,188 shares under the Employee Plan and 400,000 shares under the Director Plan). As the Employee Plan and Director Plan expired in 2004, stock options may no longer be issued under those plans. Stock options granted under the Employee Plan in 1994 and 1995 became exercisable over a three-year period. Stock options granted under the 2000 Employee Plan and those options granted subsequent to 1995 under the Employee Plan become exercisable over a five-year period. All stock options granted under both the 2000 Director Plan and Director Plan become exercisable in one year. All options were granted at the fair market value at the dates of grant and have terms of ten years. As of March 31, 2007 and December 31, 2006, the stock options outstanding had a weighted average remaining contractual life of approximately 4.5 and 4.7 years, respectively. Stock options exercisable at March 31, 2007 and December 31, 2006 had a weighted average remaining contractual life of approximately 4.1 and 4.5 years, respectively.

Information regarding the Company's stock option plans for the three months ended March 31, 2007 is summarized below:

	Shares Under Options	Weighted Average Exercise Price	Aggregate Intrinsic Value $(000's)
Outstanding at January 1, 2007	690,306	$29.68	
Exercised	(116,830)	$28.65	
Outstanding at March 31, 2007 ($24.63 - $45.47)	573,476	$29.89	$10,294
Options exercisable at March 31, 2007	454,196	$30.27	$ 8,035
Available for grant at March 31, 2007	4,534,214	--	--

Cash received from options exercised under all stock option plans was $3.3 million and $5.3 million for the three months ended March 31, 2007 and 2006, respectively. The total intrinsic value of options exercised during the three months ended March 31, 2007 and 2006 was $3.0 million and $2.8 million, respectively. The Company has a policy of issuing new shares to satisfy stock option exercises.

The Company recognized stock options expense of $33,000 and $37,000 for the three months ended March 31, 2007 and 2006, respectively. As of March 31, 2007, the Company had $4.2 million of total unrecognized compensation cost related to unvested stock compensation granted under the Company's stock compensation plans. That cost is expected to be recognized over a weighted average period of 1.8 years.

STOCK COMPENSATION

The Company has granted stock awards ("Restricted Stock Awards") to officers, certain other employees, and non-employee members of the Board of Directors of the Company, which allow the holders to each receive a certain amount of shares of the Company's common stock generally over a one to five-year vesting period and generally based on time and service, of which 153,211 shares were outstanding at March 31, 2007. Of the outstanding Restricted Stock Awards granted to executive officers and senior management, 46,873 are contingent upon the Company meeting certain performance and/or stock price appreciation objectives. All Restricted Stock Awards provided to the officers and certain other employees were granted under the 2000 Employee Plan and the Employee Plan. Restricted Stock Awards granted to directors were granted under the 2000 Director Plan.

Information regarding the Restricted Stock Awards for the three months ended March 31, 2007 is summarized below:

	Shares	Weighted-Average Grant-Date Fair Value
Outstanding at January 1, 2007	216,620	$39.78
Granted	13,000	$52.62
Vested	(76,409)	$37.22
Outstanding at March 31, 2007	153,211	$42.15

DEFERRED STOCK COMPENSATION PLAN FOR DIRECTORS

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

During the three months ended March 31, 2007 and 2006, 1,643 and 1,635 deferred stock units were earned, respectively. As of March 31, 2007 and December 31, 2006, there were 38,799 and 37,263 deferred stock units outstanding, respectively.

EARNINGS PER SHARE

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

The following information presents the Company's results for the three months ended March 31, 2007 and 2006 in accordance with FASB No. 128: *(dollars in thousands)*

	Three Months Ended March 31,	
Computation of Basic EPS	2007	2006
Income from continuing operations	$ 18,815	$ 30,289
Deduct: Preferred stock dividends	(500)	(500)
Income from continuing operations available to common shareholders	18,315	29,789
Income from discontinued operations	264	2,808
Net income available to common shareholders	$ 18,579	$ 32,597
Weighted average common shares	65,695	61,988
Basic EPS:		
Income from continuing operations	$ 0.28	$ 0.48
Income from discontinued operations	--	0.05
Net income available to common shareholders	$ 0.28	$ 0.53

	Three Months Ended March 31,	
Computation of Diluted EPS	2007	2006
Income from continuing operations available to common shareholders	$ 18,315	$ 29,789
Add: Income from continuing operations attributable to Operating Partnership - common units	4,262	6,886
Income from continuing operations for diluted earnings per share	22,577	36,675
Income from discontinued operations for diluted earnings per share	325	3,457
Net income available to common shareholders	$ 22,902	$ 40,132
Weighted average common shares	81,234	76,642
Diluted EPS:		
Income from continuing operations	$ 0.28	$ 0.48
Income from discontinued operations	--	0.04
Net income available to common shareholders	$ 0.28	$ 0.52

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

	Three Months Ended March 31,	
	2007	2006
Basic EPS shares	65,695	61,988
Add: Operating Partnership - common units	15,287	14,330
Stock options	252	324
Diluted EPS Shares	81,234	76,642

Not included in the computations of diluted EPS were 0 and 5,000 stock options, as such securities were anti-dilutive during the three months ended March 31, 2007 and 2006, respectively. Unvested shares of restricted stock outstanding as of March 31, 2007 and 2006 were 153,211 and 184,946, respectively.

15. SEGMENT REPORTING

The Company operates in two business segments: (i) real estate and (ii) construction services. The Company provides leasing, property management, acquisition, development, construction and tenant-related services for its portfolio. In May 2006, in conjunction with the Company's acquisition of the Gale Company and related businesses, the Company acquired a business specializing solely in construction and related services whose operations comprise the Company's construction services segment. There were no revenues from foreign countries recorded for the three months ended March 31, 2007 and 2006. The Company had no long lived assets in foreign locations as of March 31, 2007 and December 31, 2006. The accounting policies of the segments are the same as those described in Note 2: Significant Accounting Policies, excluding depreciation and amortization.

The Company evaluates performance based upon net operating income for each segment.

Selected results of operations for the three month periods ended March 31, 2007 and 2006 and selected asset information as of March 31, 2007 and December 31, 2006 regarding the Company's operating segments are as follows: *(dollars in thousands)*

	Real Estate	Construction Services	Corporate & Other (d)	Total Company	
Total revenues:					
Three months ended:					
March 31, 2007	$ 163,913	$ 26,963	$ 2,863	$ 193,739	
March 31, 2006	152,242	--	153	152,395	
Total operating and interest expenses(a):					
Three months ended:					
March 31, 2007	$ 60,966	$ 26,196	$ 39,982	$ 127,144	(e)
March 31, 2006	55,023	--	38,926	93,949	(f)
Equity in earnings (loss) of unconsolidated joint ventures:					
Three months ended:					
March 31, 2007	$ (2,231)	--	--	$ (2,231)	
March 31, 2006	247	--	--	247	
Net operating income (b):					
Three months ended:					
March 31, 2007	$ 100,716	$ 767	$ (37,119)	$ 64,364	(e)
March 31, 2006	97,466		(38,773)	58,693	(f)
Total assets:					
March 31, 2007	$ 4,321,913	$ 34,145	$ 117,345	$ 4,473,403	
December 31, 2006	4,281,222	28,353	113,314	4,422,889	
Total long-lived assets (c):					
March 31, 2007	$ 4,035,743	--	$ 1,550	$ 4,037,293	
December 31, 2006	4,036,393	--	1,550	4,037,943	

(a) Total operating and interest expenses represent the sum of: real estate taxes; utilities; operating services; direct construction costs; real estate services salaries, wages and other costs; general and administrative and interest expense (net of interest income). All interest expense, net interest income, (including for property-level mortgages) is excluded from segment amounts and classified in Corporate & Other for all periods.

(b) Net operating income represents total revenues less total operating and interest expenses [as defined in Note (a)], plus equity in earnings (loss) of unconsolidated joint ventures, for the period.

(c) Long-lived assets are comprised of net investment in rental property, unbilled rents receivable and investments in unconsolidated joint ventures.

(d) 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.

(e) Excludes $41,514 of depreciation and amortization.

(f) Excludes $36,578 of depreciation and amortization.

16. IMPACT OF RECENTLY-ISSUED ACCOUNTING STANDARDS

FINANCIAL ACCOUNTING STANDARDS BOARD (FASB) Statement No. 159 ("FASB No. 159"). *The Fair Value Option for Financial Assets and Financial Liabilities —Including an amendment of FASB Statement No. 115*

FASB No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. FASB No. 159 is expected to expand the use of fair value measurement, which is consistent with FASB's long-term measurement objectives for accounting for financial instruments. This Statement applies to all entities, including not-for-profit organizations. Most of the provisions of this Statement apply only to entities that elect the fair value option. However, the amendment to FASB Statement No. 115, *Accounting for Certain Investments in Debt and Equity Securities,* applies to all entities with available-for-sale and trading securities. Some requirements apply differently to entities that do not report net income.
The following are eligible items for the measurement option established by FASB No. 159.

1. Recognized financial assets and financial liabilities except:
    a. An investment in a subsidiary that the entity is required to consolidate;
    b. An interest in a variable interest entity that the entity is required to consolidate;
    c. Employers' and plans' obligations (or assets representing net overfunded positions) for pension benefits, other postretirement benefits (including health care and life insurance benefits), postemployment benefits, employee stock option and stock purchase plans, and other forms of deferred compensation arrangements, as defined in FASB Statements No. 35, *Accounting and Reporting by Defined Benefit Pension Plans,* No. 87, *Employers' Accounting for Pensions,* No. 106, *Employers' Accounting for Postretirement Benefits Other Than Pensions,* No. 112, *Employers' Accounting for Postemployment Benefits,* No. 123 (revised December 2004), *Share-Based Payment,* No. 43, *Accounting for Compensated Absences,* No. 146, *Accounting for Costs Associated with Exit or Disposal Activities,* and No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans,* and APB Opinion No. 12, *Omnibus Opinion—1967;*
    d. Financial assets and financial liabilities recognized under leases as defined in FASB Statement No. 13, *Accounting for Leases* (This exception does not apply to a guarantee of a third-party lease obligation or a contingent obligation arising from a cancelled lease.);
    e. Deposit liabilities, withdrawable on demand, of banks, savings and loan associations, credit unions, and other similar depository institutions; and
    f. Financial instruments that are, in whole or in part, classified by the issuer as a component of shareholder's equity (including "temporary equity"). An example is a convertible debt security with a noncontingent beneficial conversion feature.
2. Firm commitments that would otherwise not be recognized at inception and that involve only financial instruments.
3. Nonfinancial insurance contracts and warranties that the insurer can settle by paying a third party to provide those goods or services.
4. Host financial instruments resulting from separation of an embedded nonfinancial derivative instrument from a nonfinancial hybrid instrument.

The fair value option established by FASB No. 159 permits all entities to choose to measure eligible items at fair value at specified election dates. A business entity shall report unrealized gains and losses on items for which the fair value option has been elected in earnings (or another performance indicator if the business entity does not report earnings) at each subsequent reporting date. FASB No. 159 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. The Company does not expect that the implementation of FASB No. 159 will have a material effect on the Company's consolidated financial position or results of operations.

FASB Statement No. 157 ("FASB NO. 157"), *Fair Value Measurements*

FASB No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. FASB No. 157 applies under other accounting pronouncements that require or permit fair value measurements, FASB having previously concluded in those accounting pronouncements that fair value is their relevant measurement attribute. Accordingly, this FASB No. 157 does not require any new fair value measurements. However, for some entities, the application of this FASB No. 157 will change current practice. This statement is effective for financial statements for fiscal years beginning after November 15, 2007. The Company does not expect that the implementation of FASB No. 157 will have a material effect on the Company's consolidated financial position or results of operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

GENERAL

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

Executive Overview

Mack-Cali Realty Corporation (the "Company") is one of the largest real estate investment trusts (REITs) in the United States, with a total market capitalization of approximately $6.0 billion at March 31, 2007. The Company has been involved in all aspects of commercial real estate development, management and ownership for over 50 years and has been a publicly-traded REIT since 1994. The Company owns or has interests in 300 properties (collectively, the "Properties"), primarily class A office and office/flex buildings, totaling approximately 34.3 million square feet, leased to approximately 2,200 tenants. The properties are located primarily in suburban markets of the Northeast, some with adjacent, Company-controlled developable land sites able to accommodate up to 11.5 million square feet of additional commercial space.

The Company's strategy is to be a significant real estate owner and operator in its core, high-barriers-to-entry markets, primarily in the Northeast.

As an owner of real estate, almost all of the Company's earnings and cash flow is derived from rental revenue received pursuant to leased space at the Properties. Key factors that affect the Company's business and financial results include the following:

- the general economic climate;
- the occupancy rates of the Properties;
- rental rates on new or renewed leases;
- tenant improvement and leasing costs incurred to obtain and retain tenants;
- the extent of early lease terminations;
- operating expenses;
- cost of capital; and
- the extent of acquisitions, development and sales of real estate.

Any negative effects of the above key factors could potentially cause a deterioration in the Company's revenue and/or earnings. Such negative effects could include: (1) failure to renew or execute new leases as current leases expire; (2) failure to renew or execute new leases with rental terms at or above the terms of in-place leases; and (3) tenant defaults.

A failure to renew or execute new leases as current leases expire or to execute new leases with rental terms at or above the terms of in-place leases may be affected by several factors such as: (1) the local economic climate, which may be adversely impacted by business layoffs or downsizing, industry slowdowns, changing demographics and other factors; and (2) local real estate conditions, such as oversupply of office and office/flex space or competition within the market.

The Company's core markets continue to be weak. The percentage leased in the Company's consolidated portfolio of stabilized operating properties was 92.2 percent at March 31, 2007 as compared to 92.0 percent at December 31, 2006 and 90.4 percent at March 31, 2006. Percentage leased includes all leases in effect as of the period end date, some of which have commencement dates in the future (including, at March 31, 2007, a lease with a commencement date substantially in the future consisting of 8,590 square feet scheduled to commence in 2009), and leases that expire at the period end date. Leases that expired as of March 31, 2007, December 31, 2006 and March 31, 2006 aggregate 286,298, 103,477 and 95,861 square feet, respectively, or 1.0, 0.4 and 0.3 percentage of the net rentable square footage, respectively. Rental rates on the Company's space that was re-leased (based on first rents payable) during the three months ended March 31, 2007 decreased an average of 1.2 percent compared to rates that were in effect under the prior leases, as compared to a 4.8 percent decrease for the three months ended March 31, 2006. The Company believes that vacancy rates may continue to increase in some of its markets in 2007. As a result, the Company's future earnings and cash flow may continue to be negatively impacted by current market conditions.

The remaining portion of this Management's Discussion and Analysis of Financial Condition and Results of Operations should help the reader understand:

- property transactions during the period;
- critical accounting policies and estimates;
- results of operations for the three months ended March 31, 2007 as compared to the three months ended March 31, 2006; and
- liquidity and capital resources.

Summary of Transactions

On February 27, 2007, the Company exercised its option to acquire approximately 43 acres of land sites adjacent to its Capital Office Park complex in Greenbelt, Maryland able to accommodate the development of up to 600,000 square feet of office space for $13 million. The option was acquired as part of the acquisition of the office complex in February 2006.

On March 21, 2007, the Company announced that it reached an agreement to purchase condominium interests in 125 Broad Street ("Broad Street Condo"), a downtown Manhattan office tower, for $273 million. The condominium units being acquired include floors 2 through 16 of the 40-story building, and collectively comprise 39.6 percent, or 524,500 square feet, of the property. The condominium interests to be acquired are currently 100 percent leased. In a related transaction, the Company also signed a contract to sell 500 West Putnam Avenue, a 121,500 square-foot office building located in Greenwich, Connecticut to the seller of the Broad Street Condo, for $56 million. The completion of each of these transactions is contingent upon the other.

On April 10, 2007, the Company entered into an agreement to sell its 133,000 square-foot office building located at 1000 Bridgeport Avenue in Shelton, Connecticut for $16.8 million.

The Company expects to complete the above transactions in the second quarter 2007.

Critical Accounting Policies and Estimates

The Financial Statements have been prepared in conformity with generally accepted accounting principles. The preparation of the Financial Statements 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 reported period. These estimates and assumptions are based on management's historical experience that are believed to be reasonable at the time. However, because future events and their effects cannot be determined with certainty, the determination of estimates requires the exercise of judgment. The Company's critical accounting policies are those which require assumptions to be made about matters that are highly uncertain. Different estimates could have a material effect on the Company's financial results. Judgments and uncertainties affecting the application of these policies and estimates may result in materially different amounts being reported under different conditions and circumstances.

Rental Property:

Rental properties are stated at cost less accumulated depreciation and amortization. Costs directly related to the acquisition, development and construction of rental properties are capitalized. Capitalized development and construction costs include pre-construction costs essential to the development of the property, development and construction costs, interest, property taxes, insurance, salaries and other project costs incurred during the period of development. Interest capitalized by the Company for the three months ended March 31, 2007 and 2006 was $1.3 million and $1.5 million, 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.

The Company considers a construction project as substantially completed and held available for occupancy upon the completion of tenant improvements, but no later than one year from cessation of major construction activity (as distinguished from activities such as routine maintenance and cleanup). If portions of a rental project are substantially completed and occupied by tenants, or held available for occupancy, and other portions have not yet reached that stage, the substantially completed portions are accounted for as a separate project. The Company allocates costs incurred between the portions under construction and the portions substantially completed and held available for occupancy and capitalizes only those costs associated with the portion under construction.

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

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

Upon acquisition of rental property, the Company estimates the fair value of acquired tangible assets, consisting of land, building and improvements, and identified intangible assets and liabilities generally consisting of the fair value of (i) above and below market leases, (ii) in-place leases and (iii) tenant relationships. The Company allocates the purchase price to the assets acquired and liabilities assumed based on their relative fair values. In estimating the fair value of the tangible and intangible assets acquired, the Company considers information obtained about each property as a result of its due diligence and marketing and leasing activities, and utilizes various valuation methods, such as estimated cash flow projections utilizing appropriate discount and capitalization rates, estimates of replacement costs net of depreciation, and available market information. The fair value of the tangible assets of an acquired property considers the value of the property as if it were vacant.

Above-market and below-market lease values for acquired properties are recorded based on the present value (using a discount rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to each in-place lease and (ii) management's estimate of fair market lease rates for each corresponding in-place lease, measured over a period equal to the remaining term of the lease for above-market leases and the remaining initial term plus the term of any below-market fixed rate renewal options for below-market leases. The capitalized above-market lease values are amortized as a reduction of base rental revenue over the remaining term of the respective leases, and the capitalized below-market lease values are amortized as an increase to base rental revenue over the remaining initial terms plus the terms of any below-market fixed rate renewal options of the respective leases.

Other intangible assets acquired include amounts for in-place lease values and tenant relationship values which are based on management's evaluation of the specific characteristics of each tenant's lease and the Company's overall relationship with the respective tenant. Factors to be considered by management in its analysis of in-place lease values include an estimate of carrying costs during hypothetical expected lease-up periods considering current market conditions, and costs to execute similar leases. In estimating carrying costs, management includes real estate taxes, insurance and other operating expenses and estimates of lost rentals at market rates during the expected lease-up periods, depending on local market conditions. In estimating costs to execute similar leases, management considers leasing commissions, legal and other related expenses. Characteristics considered by management in valuing tenant relationships include the nature and extent of the Company's existing business relationships with the tenant, growth prospects for developing new business with the tenant, the tenant's credit quality and expectations of lease renewals. The value of in-place leases are amortized to expense over the remaining initial terms of the respective leases. The value of tenant relationship intangibles will be amortized to expense over the anticipated life of the relationships.

On a periodic basis, management assesses whether there are any indicators that the value of the Company's rental 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 is 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. The Company's estimates of aggregate future cash flows expected to be generated by each property are based on a number of assumptions that are subject to economic and market uncertainties including, among others, demand for space, competition for tenants, changes in market rental rates, and costs to operate each property. As these factors are difficult to predict and are subject to future events that may alter management's assumptions, the future cash flows estimated by management in its impairment analyses may not be achieved. Management does not believe that the value of any of the Company's rental properties is impaired.

Rental Property Held for Sale and Discontinued Operations:

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 as held for sale is less than the net book value of the assets, a valuation allowance is established. Properties identified as held for sale and/or sold are presented in discontinued operations for all periods presented.

If circumstances arise that previously were considered unlikely and, as a result, the Company decides not to sell a property previously classified as held for sale, the property is reclassified as held and used. A property that is reclassified is measured and recorded individually at the lower of (a) its carrying amount before the property was classified as held for sale, adjusted for any depreciation (amortization) expense that would have been recognized had the property been continuously classified as held and used, or (b) the fair value at the date of the subsequent decision not to sell.

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. Above-market and below-market lease values for acquired properties are recorded based on the present value (using a discount rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to each in-place lease and (ii) management's estimate of fair market lease rates for each corresponding in-place lease, measured over a period equal to the remaining term of the lease for above-market leases and the initial term plus the term of any below-market fixed-rate renewal options for below-market leases. The capitalized above-market lease values for acquired properties are amortized as a reduction of base rental revenue over the remaining term of the respective leases, and the capitalized below-market lease values are amortized as an increase to base rental revenue over the remaining initial terms plus the terms of any below-market fixed-rate renewal options of the respective leases. Escalations and recoveries from tenants 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.

Construction services revenue includes fees earned and reimbursements received by the Company for providing construction management and general contractor services to clients. Construction services revenue is recognized on the percentage of completion method. Using this method, profits are recorded on the basis of our estimates of the overall profit and percentage of completion of individual contracts. A portion of the estimated profits is accrued based upon estimates of the percentage of completion of the construction contract. This revenue recognition method involves inherent risks relating to profit and cost estimates. Real estate services revenue includes property management, facilities management, leasing commission fees and other services, and payroll and related costs reimbursed from clients. Other income includes income from parking spaces leased to tenants, income from tenants for additional services arranged for the Company and income from tenants for early lease terminations.

Allowance for Doubtful Accounts:

Management periodically performs a detailed review of amounts due from tenants to determine if accounts receivable balances are impaired based on factors affecting the collectibility of those balances. Management's estimate of the allowance for doubtful accounts requires management to exercise significant judgment about the timing, frequency and severity of collection losses, which affects the allowance and net income.

Results From Operations

The following comparisons for the three months ended March 31, 2007 ("2007"), as compared to the three months ended March 31, 2006 ("2006"), make reference to the following: (i) the effect of the "Same-Store Properties," which represent all in-service properties owned by the Company at December 31, 2005 excluding properties sold or held for sale through March 31, 2007, and (ii) the effect of the "Acquired Properties," which represent all properties acquired by the Company or commencing initial operations from January 1, 2006 through March 31, 2007.

Three Months Ended March 31, 2007 Compared to Three Months Ended March 31, 2006

	Three Months Ended March 31,		Dollar	Percent
(dollars in thousands)	2007	2006	Change	Change
Revenue from rental operations and other:				
Base rents	$140,034	$127,975	$ 12,059	9.4%
Escalations and recoveries from tenants	26,225	21,003	5,222	24.9
Other income	2,398	2,789	(391)	(14.0)
Total revenues from rental operations	168,657	151,767	16,890	11.1
Property expenses:				
Real estate taxes	23,519	20,816	2,703	13.0
Utilities	17,558	14,468	3,090	21.4
Operating services	24,766	20,260	4,506	22.2
Total property expenses	65,843	55,544	10,299	18.5
Non-property revenues:				
Construction services	22,341	--	22,341	--
Real estate services	2,741	628	2,113	336.5
Total non-property revenues	25,082	628	24,454	3,894.0
Non-property expenses:				
Direct construction costs	20,911	--	20,911	--
General and administrative	11,071	8,775	2,296	26.2
Depreciation and amortization	41,514	36,578	4,936	13.5
Total non-property expenses	73,496	45,353	28,143	62.1
Operating income	54,400	51,498	2,902	5.6
Other (expense) income:				
Interest expense	(30,936)	(31,075)	139	0.4
Interest and other investment income	1,617	1,445	172	11.9
Equity in earnings (loss) of unconsolidated joint ventures	(2,231)	247	(2,478)	(1,003.2)
Minority interest in consolidated joint ventures	227	--	(227)	--
Gain on sale of investment in marketable securities	--	15,060	(15,060)	(100.0)
Total other (expense) income	(31,323)	(14,323)	(17,000)	118.7
Income from continuing operations before minority interest in Operating Partnership	23,077	37,175	(14,098)	(37.9)
Minority interest in Operating Partnership	(4,262)	(6,886)	2,624	38.1
Income from continuing operations	18,815	30,289	(11,474)	(37.9)
Discontinued operations (net of minority interest):				
Income from discontinued operations	264	2,808	(2,544)	(90.6)
Net income	19,079	33,097	(14,018)	(42.4)
Preferred stock dividends	(500)	(500)	--	--
Net income available to common shareholders	$ 18,579	$ 32,597	$(14,018)	(43.0)%

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

(*dollars in thousands*)	Total Company Dollar Change	Total Company Percent Change	Same-Store Properties Dollar Change	Same-Store Properties Percent Change	Acquired Properties Dollar Change	Acquired Properties Percent Change
Revenue from rental operations and other:						
Base rents	$ 12,059	9.4%	$ 5,836	4.5%	$ 6,223	4.9%
Escalations and recoveries from tenants	5,222	24.9	4,387	20.9	835	4.0
Other income	(391)	(14.0)	(424)	(15.2)	33	1.2
Total	$ 16,890	11.1%	$ 9,799	6.4%	$ 7,091	4.7%
Property expenses:						
Real estate taxes	$ 2,703	13.0%	$ 1,765	8.5%	$ 938	4.5%
Utilities	3,090	21.4	2,211	15.3	879	6.1
Operating services	4,506	22.2	2,212	10.9	2,294	11.3
Total	$ 10,299	18.5%	$ 6,188	11.1%	$ 4,111	7.4%
OTHER DATA:						
Number of Consolidated Properties (excluding properties held for sale):	253		242		11	
Square feet *(in thousands)*	28,612		27,151		1,461	

Base rents for the Same-Store Properties increased $5.8 million, or 4.5 percent, for 2007 as compared to 2006, due primarily to an increase in the percentage of space leased at the properties in 2007 from 2006. Escalations and recoveries from tenants for the Same-Store Properties increased $4.4 million, or 20.9 percent, for 2007 over 2006, due primarily to an increased amount of total property expenses in 2007. Other income for the Same-Store Properties decreased $0.4 million, or 15.2 percent, due primarily to a decrease in lease breakage fees.

Real estate taxes on the Same-Store Properties increased $1.8 million, or 8.5 percent, for 2007 as compared to 2006, due primarily to property tax rate increases in certain municipalities in 2007. Utilities for the Same-Store Properties increased $2.2 million, or 15.3 percent, for 2007 as compared to 2006, due primarily to increased electric rates in 2007 as compared to 2006. Operating services for the Same-Store Properties increased $2.2 million, or 10.9 percent due primarily to increased snow removal costs of $0.7 million, increased maintenance costs of $0.7 million, increased insurance costs of $0.5 million and an increase in salaries and related expenses of $0.5 million, for 2007 as compared to 2006.

Construction services revenue amounted to $22.3 million in 2007, due to the effect of the Company's acquisitions of The Gale Company and its related businesses (the "Gale/Green Transactions") completed in May 2006. Real estate services increased by $2.1 million, for 2007 as compared to 2006, due primarily to the effect of the Gale/Green Transactions.

Direct construction costs totaled $20.9 million in 2007, due primarily to the effect of the Gale/Green Transactions. General and administrative expense increased by $2.3 million, or 26.2 percent, for 2007 as compared to 2006 due primarily to the effect of the Gale/Green Transactions.

Depreciation and amortization increased by $4.9 million, or 13.5 percent, for 2007 over 2006. Of this increase, $4.0 million, or 11.1 percent, is attributable to the Acquired Properties, and $0.9 million, or 2.4 percent, is attributable to the Same-Store Properties.

Interest expense decreased $0.1 million, or 0.4 percent, for 2007 as compared to 2006. This decrease was due primarily to lower average debt balances in 2007 as compared to 2006.

Interest and other investment income increased $0.2 million, or 11.9 percent, for 2007 as compared to 2006. This increase was due primarily to higher cash balances invested during the period as well as an overall increase in interest rates.

Equity in earnings of unconsolidated joint ventures decreased $2.5 million, or 1,003.2 percent, for 2007 as compared to 2006. The decrease was due primarily to a loss of $1.7 million in the Mack-Green joint venture, and a loss of $0.9 million in the Route 93 Portfolio.

The Company recognized a gain on sale of investment in marketable securities of $15.1 million in 2006.

Income from continuing operations before minority interest in Operating Partnership decreased to approximately $23.1 million in 2007 from $37.2 million in 2006. The decrease of approximately $14.1 million is due to the factors discussed above.

Net income available to common shareholders decreased by approximately $14.0 million, from $32.6 million in 2006 to $18.6 million in 2007. This decrease was the result of a decrease in income from continuing operations before minority interest in Operating Partnership of $14.1 million, and a decrease in income from discontinued operations of $2.5 million for 2007 as compared to 2006, partially offset by a decrease in minority interest in Operating Partnership of approximately $2.6 million.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Overview:

Historically, rental revenue has been the principal source of funds to pay operating expenses, debt service, capital expenditures and dividends, excluding non-recurring capital expenditures. To the extent that the Company's cash flow from operating activities is insufficient to finance its non-recurring capital expenditures such as property acquisitions, development and construction costs and other capital expenditures, the Company has and expects to continue to finance such activities through borrowings under its revolving credit facility and other debt and equity financings.

The Company believes that with the general downturn in the Company's markets in recent years, it is reasonably likely that vacancy rates may continue to increase, effective rental rates on new and renewed leases may continue to decrease and tenant installation costs, including concessions, may continue to increase in most or all of its markets in 2007. As a result of the potential negative effects on the Company's revenue from the overall reduced demand for office space, the Company's cash flow could be insufficient to cover increased tenant installation costs over the short-term. If this situation were to occur, the Company expects that it would finance any shortfalls through borrowings under its revolving credit facility and other debt and equity financings.

The Company expects to meet its short-term liquidity requirements generally through its working capital, net cash provided by operating activities and from its revolving credit facility. The Company frequently examines potential property acquisitions and development projects and, at any given time, one or more of such acquisitions or development projects may be under consideration. Accordingly, the ability to fund property acquisitions and development 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 and short-term borrowings (including draws on the Company's revolving credit facility) and the issuance of additional debt and/or equity securities.

Gale Company Earn-Out:

The agreement to acquire the Gale Company ("Gale Agreement"), which was acquired for initial purchase consideration of approximately $22.3 million on May 9, 2006, contains earn-out provisions providing for the payment of contingent purchase consideration of up to $18 million in cash based upon the achievement of Gross Income and NOI (as such terms are defined in the Gale Agreement) targets and other events for the three years following the closing date.

Construction Projects:

On February 22, 2007, the Company announced that it agreed to develop a 250,000 square-foot class A office building for Wyndham Worldwide Corporation for its corporate headquarters. The building, which Wyndham Worldwide pre-leased for 15 years, will be developed on a land site located in the Company's Mack-Cali Business Campus in Parsippany, New Jersey. The building is expected to be completed in the fourth quarter 2008 at a total estimated cost of approximately $64.8 million.

The Company entered into a 15-year lease with AAA Mid-Atlantic ("AAA") for a 120,000 square foot office building being constructed by the Company in its Horizon Center Business Park located in Hamilton Township, New Jersey. The building is expected to be completed during the early part of 2007 at an estimated cost of approximately $19.2 million (of which the Company has incurred $16.5 million through April 27, 2007), which is expected to be funded through borrowings on the Company's unsecured credit facility. Concurrent with the signing of the lease, the Company executed a purchase and sale agreement with AAA pursuant to which the Company, upon the commencement of the 120,000 square foot lease, will acquire from AAA two office buildings, totaling approximately 70,000 square feet and certain vacant, developable land, all located in Hamilton Township, New Jersey, for a total purchase price of approximately $8.8 million, subject to certain conditions.

Additionally, the Company, through a joint venture with the PRC Group, is constructing a 92,878 square-foot office property, to be known as Red Bank Corporate Plaza, located in Red Bank, New Jersey, on land contributed by its joint venture partner. The project is fully leased to Hovnanian Enterprise, Inc. for a 10-year term. The total cost of the project, which is expected to be completed in the third quarter 2007, is estimated to be approximately $27 million, of which the Company currently expects to fund approximately $3 million. On October 20, 2006, the venture entered into a $22.0 million construction loan with a commercial bank. The loan (with a balance as of March 31, 2007, of $12.7 million) carries an interest rate of LIBOR plus 130 basis points and matures in April 2008. The loan currently has three one-year extension options subject to certain conditions, each of which require payment of a fee.

The Company owns a 15 percent indirect interest in a joint venture which plans to develop approximately 1.2 million square foot mixed-use project in downtown Boston consisting of office and retail space, condominium apartments, a hotel and garage. The development project, which is subject to government approval, is currently projected to cost approximately $630 million, of which the Company is currently projected to invest a total of approximately $20.3 million (of which the Company has invested $14.9 million through April 27, 2007).

REIT Restrictions:

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 common stockholders which, based upon current policy, in the aggregate would equal approximately $173.9 million on an annualized basis. However, any such distribution, whether for federal income tax purposes or otherwise, would only be paid out of available cash, including borrowings and other sources, after meeting operating requirements, preferred stock dividends and distributions, and scheduled debt service on the Company's debt.

Property Lock-Ups:

The Company may not dispose of or distribute certain of its properties, currently comprising 50 properties with an aggregate net book value of approximately $1.3 billion, which were originally contributed by members of either the Mack Group (which includes William L. Mack, Chairman of the Company's Board of Directors; David S. Mack, director; Earle I. Mack, a former director; and Mitchell E. Hersh, president, chief executive officer and director), the Robert Martin Group (which includes Robert F. Weinberg, director; Martin S. Berger, a former director; and Timothy M. Jones, former president), the Cali Group (which includes John R. Cali, director, and John J. Cali, a former director) or certain other common unitholders, without the express written consent of a representative of the Mack Group, the Robert Martin Group, the Cali Group or the specific certain other common unitholders, as applicable, except in a manner which does not result in recognition of any built-in-gain (which may result in an income tax liability) or which reimburses the appropriate Mack Group, Robert Martin Group, Cali Group members or the specific certain other common unitholders for the tax consequences of the recognition of such built-in-gains (collectively, the "Property Lock-Ups"). The aforementioned restrictions do not apply in the event that the Company sells all of its properties or in connection with a sale transaction which the Company's Board of Directors determines is reasonably necessary to satisfy a material monetary default on any unsecured debt, judgment or liability of the Company or to cure any material monetary default on any mortgage secured by a property. The Property Lock-Ups expire periodically through 2016. Upon the expiration of the Property Lock-Ups, the Company generally is required to use commercially reasonable efforts to prevent any sale, transfer or other disposition of the subject properties from resulting in the recognition of built-in gain to the appropriate Mack Group, Robert Martin Group, Cali Group members or the specific certain other common unitholders. 87 of our properties, with an aggregate net book value of approximately $805.8 million, have lapsed restrictions and are subject to these conditions.

Unencumbered Properties:
As of March 31, 2007, the Company had 237 unencumbered properties, totaling 25.2 million square feet, representing 87.1 percent of the Company's total portfolio on a square footage basis.

Credit Ratings:
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 existing and prospective preferred stock offerings of the Company. Moody's Investors Service ("Moody's") has assigned its Baa2 rating to existing and prospective senior unsecured debt of the Operating Partnership and its Baa3 rating to its existing and prospective preferred stock offerings of the Company.

Cash Flows

Cash and cash equivalents increased by $48.9 million to $150.2 million at March 31, 2007, compared to $101.2 million at December 31, 2006. The increase is comprised of the following net cash flow items:

(1) $39.2 million provided by operating activities.

(2) $30.6 million used in investing activities, consisting primarily of the following:
  (a) $19 million used for additions to rental property and related intangibles; plus
  (b) $10.8 million used in investing in unconsolidated joint ventures; plus

(3) $40.4 million provided by financing activities, consisting primarily of the following:
  (a) $251.7 million in proceeds from the offering of Common Stock; plus
  (b) $76 million from borrowings under the Company's unsecured credit facility; minus
  (c) $221 million used for the repayment of borrowings under the Company's unsecured credit facility; minus
  (d) $19.1 million used for the repayment of mortgages, loans payable and other obligations; minus
  (e) $50.6 million used for the payment of dividends and distributions.

Debt Financing

Summary of Debt:

The following is a breakdown of the Company's debt financing as of March 31, 2007:

	Balance ($000's)	% of Total	Weighted Average Interest Rate (a)	Weighted Average Maturity in Years
Fixed Rate Unsecured Debt	$1,667,415	83.54%	6.29%	5.05
Fixed Rate Secured Debt and Other Obligations	328,602	16.46%	5.38%	5.08
Totals/Weighted Average:	$1,996,017	100.00%	6.14%	5.05

Debt Maturities:

Scheduled principal payments and related weighted average annual interest rates for the Company's debt as of March 31, 2007 are as follows:

Period	Scheduled Amortization ($000's)	Principal Maturities ($000's)	Total ($000's)	Weighted Average Interest Rate of Future Repayments (a)
2007	$14,773	$ --	$ 14,773	5.01%
2008	17,939	12,563	30,502	5.25%
2009	10,695	300,000	310,695	7.41%
2010	2,793	334,500	337,293	5.26%
2011	3,580	300,000	303,580	7.91%
Thereafter	11,687	993,091	1,004,778	5.57%
Sub-total	61,467	1,940,154	2,001,621	6.14%
Adjustment for unamortized debt discount/premium, net, as of March 31, 2007	(5,604)	--	(5,604)	
Totals/Weighted Average	$55,863	$1,940,154	$1,996,017	6.14%

Senior Unsecured Notes:

The terms of the Company's senior unsecured notes (which totaled approximately $1.6 billion as of March 31, 2007) 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.

Unsecured Revolving Credit Facility:

The Company has an unsecured revolving credit facility with a borrowing capacity of $600 million (expandable to $800 million). The interest rate on outstanding borrowings (not electing the Company's competitive bid feature) under the unsecured facility is currently LIBOR plus 65 basis points. The facility has a competitive bid feature, which allows the Company to solicit bids from lenders under the facility to borrow up to $300 million at interest rates less than the current LIBOR plus 65 basis point spread. The Company may also elect an interest rate representing the higher of the lender's prime rate or the Federal Funds rate plus 50 basis points. The unsecured facility, which also requires a 15 basis point facility fee on the current borrowing capacity payable quarterly in arrears, is scheduled to mature in November 2009 and has an extension option of one year, which would require a payment of 25 basis points of the then borrowing capacity of the facility upon exercise. As of March 31, 2007, the Company had no outstanding borrowings under its unsecured facility.

The interest rate and the facility fee are subject to adjustment, on a sliding scale, based upon the operating partnership's unsecured debt ratings. In the event of a change in the Operating Partnership's unsecured debt rating, the interest and facility fee rates will be adjusted in accordance with the following table:

Operating Partnership's Unsecured Debt Ratings: S&P Moody's/Fitch (a)	Interest Rate - Applicable Basis Points Above LIBOR	Facility Fee Basis Points
No ratings or less than BBB-/Baa3/BBB-	112.5	25.0
BBB-/Baa3/BBB-	80.0	20.0
BBB/Baa2/BBB (current)	65.0	15.0
BBB+/Baa1/BBB+	55.0	15.0
A-/A3/A- or higher	50.0	15.0

(a) If the Operating Partnership has debt ratings from two rating agencies, one of which is Standard & Poor's Rating Services ("S&P") or Moody's Investors Service ("Moody's"), the rates per the above table shall be based on the lower of such ratings. If the Operating Partnership has debt ratings from three rating agencies, one of which is S&P or Moody's, the rates per the above table shall be based on the lower of the two highest ratings. If the Operating Partnership has debt ratings from only one agency, it will be considered to have no rating or less than BBB-/Baa3/BBB- per the above table.

The terms of the unsecured facility include certain restrictions and covenants which limit, among other things, the payment of dividends (as discussed below), the incurrence of additional indebtedness, the incurrence of liens and the disposition of real estate properties (to the extent that: (i) such property dispositions cause the Company to default on any of the financial ratios of the facility described below, or (ii) the property dispositions are completed while the Company is under an event of default under the facility, unless, under certain circumstances, such disposition is being carried out to cure such default), 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 fixed charge coverage, the maximum amount of unsecured indebtedness, the minimum amount of unencumbered property interest 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 common equity interests in an aggregate amount in excess of 90 percent of funds from operations (as defined in the facility agreement) for such period, subject to certain other adjustments.

The lending group for the unsecured facility consists of: JPMorgan Chase Bank, N.A., as administrative agent; Bank of America, N. A., as syndication agent; The Bank of Nova Scotia, New York Agency; Wachovia Bank, National Association; and Wells Fargo Bank, National Association, as documentation agents; SunTrust Bank, as senior managing agent; US Bank National Association; Citicorp North America, Inc.; and PNC Bank National Association, as managing agents; and Bank of China, New York Branch; The Bank of New York; Chevy Chase Bank, F.S.B.; The Royal Bank of Scotland, plc; Mizuho Corporate Bank, Ltd.; UFJ Bank Limited, New York Branch; The Governor and Company of the Bank of Ireland; Bank Hapoalim B.M.; Comerica Bank; Chang Hwa Commercial Bank, Ltd., New York Branch; First Commercial Bank, New York Agency; Chiao Tung Bank Co., Ltd., New York Agency; Deutsche Bank Trust Company Americas; and Hua Nan Commercial Bank, New York Agency.

Mortgages, Loans Payable and Other Obligations:

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

On February 5, 2007, the Company repaid its $9.4 million loan with Allstate Life Insurance Company collateralized by 200 Riser Road, which was scheduled to mature on April 1, 2007, at par, using available cash.

On February 15, 2007, the Company repaid its $5.9 million loan with State Farm Life Insurance Company collateralized by 6303 Ivy Lane, which was scheduled to mature on July 1, 2007, at par, using available cash.

Debt Strategy:

The Company does not intend to reserve funds to retire the Company's senior unsecured notes or its mortgages, loans payable and other obligations 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 on or before the applicable maturity dates. If it cannot raise sufficient proceeds to retire the maturing debt, the Company may draw on its revolving credit facility to retire the maturing indebtedness, which would reduce the future availability of funds under such facility. As of April 27, 2007, the Company had no outstanding borrowings under its $600 million unsecured revolving credit facility. The Company is reviewing various refinancing options, including the purchase of its senior unsecured notes in privately-negotiated transactions, the issuance of additional, or exchange of current, unsecured debt, preferred stock, and/or obtaining additional mortgage debt, some or all of which may be completed during 2007. 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.

Equity Financing and Registration Statements

Equity Activity:

The following table presents the changes in the Company's issued and outstanding shares of Common Stock and the Operating Partnership's common units since December 31, 2006:

	Common Stock	Common Units	Total
Outstanding at January 1, 2007	62,925,191	15,342,283	78,267,474
Common Stock offering	4,650,000	--	4,650,000
Stock options exercised	116,830	--	116,830
Common units redeemed for Common Stock	141,522	(141,522)	--
Shares issued under Dividend Reinvestment and Stock Purchase Plan	1,309	--	1,309
Restricted shares issued	13,000	--	13,000
Outstanding at March 31, 2007	67,847,852	15,200,761	83,048,613

Share Repurchase Program:

The Company has authorization to repurchase up to $45.5 million of its outstanding common stock, which it may repurchase from time to time in open market transactions at prevailing prices or through privately negotiated transactions.

Shelf Registration Statements:

The Company has an effective shelf registration statement on Form S-3 filed with the Securities and Exchange Commission ("SEC") for an aggregate amount of $2.0 billion in common stock, preferred stock, depositary shares, and/or warrants of the Company, under which $260.1 million of securities have been sold through April 27, 2007 and $1.7 billion remains available for future issuances.

The Company and the Operating Partnership also have an effective shelf registration statement on Form S-3 filed with the SEC for an aggregate amount of $2.5 billion in common stock, preferred stock, depositary shares and guarantees of the Company and debt securities of the Operating Partnership, under which $600 million of securities have been sold through April 27, 2007 and $1.9 billion remains available for future issuances.

Off-Balance Sheet Arrangements

Unconsolidated Joint Venture Debt:

The debt of the Company's unconsolidated joint ventures aggregating $582.8 million at March 31, 2007, is non-recourse to the Company except for customary exceptions pertaining to such matters as intentional misuse of funds, environmental conditions and material misrepresentations. The Company has also posted a $7.3 million letter of credit in support of the Harborside South Pier joint venture, $3.6 million of which is indemnified by Hyatt.

The Company's off-balance sheet arrangements are further discussed in Note 4: Investments in Unconsolidated Joint Ventures to the Financial Statements.

Contractual Obligations

The following table outlines the timing of payment requirements related to the Company's debt (principal and interest), PILOT agreements, and ground lease agreements as of March 31, 2007:

		Payments Due by Period				
(dollars in thousands)	**Total**	**Less than 1 year**	**1 - 3 Years**	**4 - 5 years**	**6 - 10 Years**	**After 10 years**
Senior unsecured notes	$ 2,156,522	$ 100,494	$ 479,239	$ 686,701	$ 890,088	--
Mortgages, loans payable and other obligations	448,739	36,046	217,051	40,655	125,046	$ 29,941
Payments in lieu of taxes (PILOT)	69,054	4,193	12,705	8,615	23,381	20,160
Operating lease payments	355	285	70	--	--	--
Ground lease payments	37,824	502	1,492	1,002	2,499	32,329
Total	$ 2,712,494	$ 141,520	$ 710,557	$ 736,973	$ 1,041,014	$ 82,430

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

We consider portions of this information, including the documents incorporated by reference, to be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 21E of such act. Such forward-looking statements relate to, without limitation, our 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," "plan," "should," "expect," "anticipate," "estimate," "continue" or comparable terminology. Forward-looking statements are inherently subject to risks and uncertainties, many of which we cannot predict with accuracy and some of which we might not even anticipate. Although we believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions at the time made, we can give no assurance that such expectations will be achieved. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Among the factors about which we have made assumptions are:

- changes in the general economic climate and conditions, including those affecting industries in which our principal tenants compete;
- the extent of any tenant bankruptcies or of any early lease terminations;
- our ability to lease or re-lease space at current or anticipated rents;
- changes in the supply of and demand for office, office/flex and industrial/warehouse properties;
- changes in interest rate levels;
- changes in operating costs;
- our ability to obtain adequate insurance, including coverage for terrorist acts;
- the availability of financing;
- changes in governmental regulation, tax rates and similar matters; and
- other risks associated with the development and acquisition of properties, including risks that the development may not be completed on schedule, that the tenants will not take occupancy or pay rent, or that development or operating costs may be greater than anticipated.

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, its ability to make distributions or payments to its investors.

Approximately $2.0 billion of the Company's long-term debt and other obligations 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 based upon maturity dates of the debt obligations and the related weighted-average interest rates by expected maturity dates for the fixed rate debt.

(dollars in thousands)

March 31, 2007	**Maturity Date**							
Debt, including current portion	**04/1/07 - 12/31/07**	**2008**	**2009**	**2010**	**2011**	**Thereafter**	**Total**	**Fair Value**
Fixed Rate	$13,461	$29,345	$309,841	$336,398	$302,766	$1,004,206	$1,996,017	$2,024,735
Average Interest Rate	5.01%	5.25%	7.41%	5.26%	7.91%	5.57%	6.14%	

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 could adversely affect its operating results and liquidity.

Item 4. Controls and Procedures

Disclosure Controls and Procedures. The Company's management, with the participation of the Company's president and chief executive officer and chief financial officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on such evaluation, the Company's president and chief executive officer and chief financial officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act.

Internal Control Over Financial Reporting. There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings

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

As a result of the redemption of the Company's entire interest in the Meadowlands joint venture and its right to participate in the entertainment phase of the Meadowlands Xanadu project, which was completed on November 22, 2006, the Company no longer considers the legal proceedings disclosed in its previously filed periodic reports concerning the Meadowlands Mills/Mack-Cali Limited Partnership to be material to the financial condition of the Company taken as a whole.

Item 1A. Risk Factors

Not Applicable.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) **COMMON UNITS**

During the three months ended March 31, 2007, the Company issued 141,522 shares of common stock to holders of common units in the Operating Partnership upon the redemption of such common units in private offerings pursuant to Section 4(2) of the Securities Act. The holders of the common units were limited partners of the Operating Partnership and accredited investors under Rule 501 of the Securities Act. The common units were converted into an equal number of shares of common stock. The Company has registered the resale of such shares under the Securities Act.

(b) Not Applicable.

(c) None.

Item 3. Defaults Upon Senior Securities

Not Applicable.

Item 4. Submission of Matters to a Vote of Security Holders

Not Applicable.

Item 5. Other Information

(a) None.

(b) None.

Item 6. Exhibits

The exhibits required by this item are set forth on the Exhibit Index attached hereto.

MACK-CALI REALTY CORPORATION

Signatures

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

Mack-Cali Realty Corporation
(Registrant)

Date: May 2, 2007

By: /s/ Mitchell E. Hersh
Mitchell E. Hersh
President and
Chief Executive Officer

Date: May 2, 2007

By: /s/ Barry Lefkowitz
Barry Lefkowitz
Executive Vice President and
Chief Financial Officer

Exhibit Index

Exhibit Number	Exhibit Title
3.1	Restated Charter of Mack-Cali Realty Corporation dated June 11, 2001 (filed as Exhibit 3.1 to the Company's Form 10-Q dated June 30, 2001 and incorporated herein by reference).
3.2	Amended and Restated Bylaws of Mack-Cali Realty Corporation dated June 10, 1999 (filed as Exhibit 3.2 to the Company's Form 8-K dated June 10, 1999 and incorporated herein by reference).
3.3	Amendment No. 1 to the Amended and Restated Bylaws of Mack-Cali Realty Corporation dated March 4, 2003, (filed as Exhibit 3.3 to the Company's Form 10-Q dated March 31, 2003 and incorporated herein by reference).
3.4	Amendment No. 2 to the Mack-Cali Realty Corporation Amended and Restated Bylaws dated May 24, 2006 (filed as Exhibit 3.1 to the Company's Form 8-K dated May 24, 2006 and incorporated herein by reference).
3.5	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).
3.6	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).
3.7	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).
3.8	Third Amendment to the Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. dated September 30, 2003 (filed as Exhibit 3.7 to the Company's Form 10-Q dated September 30, 2003 and incorporated herein by reference).
3.9	Certificate of Designation of Series B Preferred Operating Partnership Units of Limited Partnership Interest of Mack-Cali Realty, L.P. (filed as Exhibit 10.101 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).
3.10	Articles Supplementary for the 8% Series C Cumulative Redeemable Perpetual Preferred Stock dated March 11, 2003 (filed as Exhibit 3.1 to the Company's Form 8-K dated March 14, 2003 and incorporated herein by reference).
3.11	Certificate of Designation for the 8% Series C Cumulative Redeemable Perpetual Preferred Operating Partnership Units dated March 14, 2003 (filed as Exhibit 3.2 to the Company's Form 8-K dated March 14, 2003 and incorporated herein by reference).

Exhibit Number	Exhibit Title
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 and incorporated herein by reference).
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).
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).
4.8	Supplemental Indenture No. 5 dated as of December 20, 2002, by and between 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 20, 2002 and incorporated herein by reference).
4.9	Supplemental Indenture No. 6 dated as of March 14, 2003, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated March 14, 2003 and incorporated herein by reference).
4.10	Supplemental Indenture No. 7 dated as of June 12, 2003, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated June 12, 2003 and incorporated herein by reference).
4.11	Supplemental Indenture No. 8 dated as of February 9, 2004, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated February 9, 2004 and incorporated herein by reference).

Exhibit Number	Exhibit Title
4.12	Supplemental Indenture No. 9 dated as of March 22, 2004, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated March 22, 2004 and incorporated herein by reference).
4.13	Supplemental Indenture No. 10 dated as of January 25, 2005, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated January 25, 2005 and incorporated herein by reference).
4.14	Supplemental Indenture No. 11 dated as of April 15, 2005, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated April 15, 2005 and incorporated herein by reference).
4.15	Supplemental Indenture No. 12 dated as of November 30, 2005, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated November 30, 2005 and incorporated herein by reference).
4.16	Supplemental Indenture No. 13 dated as of January 24, 2006, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated January 18, 2006 and incorporated herein by reference).
4.17	Deposit Agreement dated March 14, 2003 by and among Mack-Cali Realty Corporation, EquiServe Trust Company, N.A., and the holders from time to time of the Depositary Receipts described therein (filed as Exhibit 4.1 to the Company's Form 8-K dated March 14, 2003 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 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).
10.3	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).
10.4	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).
10.5	Employment Agreement dated as of May 9, 2006 by and between Mark Yeager and Mack-Cali Realty Corporation (filed as Exhibit 10.15 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).

Exhibit Number	Exhibit Title
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 Barry Lefkowitz and Mack-Cali Realty Corporation (filed as Exhibit 10.12 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.8	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).
10.9	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).
10.10	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).
10.11	Restricted Share Award Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.1 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.12	Tax Gross Up Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.2 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.13	First Amendment effective as of January 2, 2003 to the Restricted Share Award Agreement dated July 1, 1999 between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.3 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.14	Restricted Share Award Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.7 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.15	Tax Gross Up Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.8 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.16	First Amendment effective as of January 2, 2003 to the Restricted Share Award Agreement dated July 1, 1999 between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.9 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.17	Restricted Share Award Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.10 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.18	Tax Gross Up Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.11 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.19	First Amendment effective as of January 2, 2003 to the Restricted Share Award Agreement dated July 1, 1999 between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.12 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.20	First Amendment effective as of January 2, 2003 to the Restricted Share Award Agreement dated March 12, 2001 between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.13 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.21	Restricted Share Award Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.14 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.22	Tax Gross Up Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.15 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.23	Restricted Share Award Agreement dated December 6, 1999 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.16 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.24	First Amendment effective as of January 2, 2003 to the Restricted Share Award Agreement dated December 6, 1999 between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.17 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.25	First Amendment effective as of January 2, 2003 to the Restricted Share Award Agreement dated March 12, 2001 between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.18 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.26	Restricted Share Award Agreement effective as of December 2, 2003 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.1 to the Company's Form 8-K dated December 2, 2003 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.27	Tax Gross Up Agreement effective as of December 2, 2003 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.2 to the Company's Form 8-K dated December 2, 2003 and incorporated herein by reference).
10.28	Restricted Share Award Agreement effective as of December 2, 2003 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.5 to the Company's Form 8-K dated December 2, 2003 and incorporated herein by reference).
10.29	Tax Gross Up Agreement effective as of December 2, 2003 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.6 to the Company's Form 8-K dated December 2, 2003 and incorporated herein by reference).
10.30	Restricted Share Award Agreement effective as of December 2, 2003 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.7 to the Company's Form 8-K dated December 2, 2003 and incorporated herein by reference).
10.31	Tax Gross Up Agreement effective as of December 2, 2003 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.8 to the Company's Form 8-K dated December 2, 2003 and incorporated herein by reference).
10.32	Restricted Share Award Agreement effective as of December 2, 2003 by and between Mack-Cali Realty Corporation and Michael Grossman (filed as Exhibit 10.9 to the Company's Form 8-K dated December 2, 2003 and incorporated herein by reference).
10.33	Tax Gross Up Agreement effective as of December 2, 2003 by and between Mack-Cali Realty Corporation and Michael Grossman (filed as Exhibit 10.10 to the Company's Form 8-K dated December 2, 2003 and incorporated herein by reference).
10.34	Restricted Share Award Agreement effective December 7, 2004 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.2 to the Company's Form 8-K dated December 7, 2004 and incorporated herein by reference).
10.35	Tax Gross Up Agreement effective December 7, 2004 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.3 to the Company's Form 8-K dated December 7, 2004 and incorporated herein by reference).
10.36	Restricted Share Award Agreement effective December 7, 2004 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.4 to the Company's Form 8-K dated December 7, 2004 and incorporated herein by reference).
10.37	Tax Gross Up Agreement effective December 7, 2004 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.5 to the Company's Form 8-K dated December 7, 2004 and incorporated herein by reference).
10.38	Restricted Share Award Agreement effective December 7, 2004 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.6 to the Company's Form 8-K dated December 7, 2004 and incorporated herein by reference).
10.39	Tax Gross Up Agreement effective December 7, 2004 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.7 to the Company's Form 8-K dated December 7, 2004 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.40	Restricted Share Award Agreement effective December 7, 2004 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.8 to the Company's Form 8-K dated December 7, 2004 and incorporated herein by reference).
10.41	Tax Gross Up Agreement effective December 7, 2004 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.9 to the Company's Form 8-K dated December 7, 2004 and incorporated herein by reference).
10.42	Restricted Share Award Agreement effective December 6, 2005 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.2 to the Company's Form 8-K dated December 6, 2005 and incorporated herein by reference).
10.43	Tax Gross Up Agreement effective December 6, 2005 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.3 to the Company's Form 8-K dated December 6, 2005 and incorporated herein by reference).
10.44	Restricted Share Award Agreement effective December 6, 2005 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.4 to the Company's Form 8-K dated December 6, 2005 and incorporated herein by reference).
10.45	Tax Gross Up Agreement effective December 6, 2005 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.5 to the Company's Form 8-K dated December 6, 2005 and incorporated herein by reference).
10.46	Restricted Share Award Agreement effective December 6, 2005 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.6 to the Company's Form 8-K dated December 6, 2005 and incorporated herein by reference).
10.47	Tax Gross Up Agreement effective December 6, 2005 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.7 to the Company's Form 8-K dated December 6, 2005 and incorporated herein by reference).
10.48	Restricted Share Award Agreement effective December 6, 2005 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.8 to the Company's Form 8-K dated December 6, 2005 and incorporated herein by reference).
10.49	Tax Gross Up Agreement effective December 6, 2005 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.9 to the Company's Form 8-K dated December 6, 2005 and incorporated herein by reference).
10.50	Restricted Share Award Agreement by and between Mack-Cali Realty Corporation and Mark Yeager (filed as Exhibit 10.16 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.51	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.1 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.52	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.2 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.53	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.3 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.54	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.4 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.55	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.5 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.56	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.6 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.57	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.7 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.58	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.8 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.59	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.9 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.60	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.10 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.61	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.11 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.62	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.12 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.63	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.13 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.64	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.14 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.65	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.15 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.66	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.16 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.67	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mark Yeager (filed as Exhibit 10.17 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.68	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mark Yeager (filed as Exhibit 10.18 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.69	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mark Yeager (filed as Exhibit 10.19 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.70	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mark Yeager (filed as Exhibit 10.20 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.71	Amended and Restated Revolving Credit Agreement dated as of September 27, 2002, among Mack-Cali Realty, L.P. and JPMorgan Chase Bank, Fleet National Bank and Other Lenders Which May Become Parties Thereto with JPMorgan Chase Bank, as administrative agent, swing lender and fronting bank, Fleet National Bank and Commerzbank AG, New York and Grand Cayman branches as syndication agents, Bank of America, N.A. and Wells Fargo Bank, National Association, as documentation agents, and J.P. Morgan Securities Inc. and Fleet Securities, Inc, as arrangers (filed as Exhibit 10.1 to the Company's Form 8-K dated September 27, 2002 and incorporated herein by reference).
10.72	Second Amended and Restated Revolving Credit Agreement among Mack-Cali Realty, L.P., JPMorgan Chase Bank, N.A., Bank of America, N.A., and other lending institutions that are or may become a party to the Second Amended and Restated Revolving Credit Agreement dated as of November 23, 2004 (filed as Exhibit 10.1 to the Company's Form 8-K dated November 23, 2004 and incorporated herein by reference).
10.73	Extension and Modification Agreement dated as of September 16, 2005 by and among Mack-Cali Realty, L.P., JPMorgan Chase Bank, N.A., as administrative agent, and the several Lenders Party thereto (filed as Exhibit 10.1 to the Company's Form 8-K dated September 16, 2005 and incorporated herein by reference).
10.74	Second Modification Agreement dated as of July 14, 2006 by and among Mack-Cali Realty, L.P., JPMorgan Chase Bank, N.A., as administrative agent, and the several Lenders party thereto (filed as Exhibit 10.1 to the Company's Form 8-K dated July 14, 2006 and incorporated herein by reference).
10.75	Amended and Restated Master Loan Agreement dated as of November 12, 2004 among Mack-Cali Realty, L.P., and Affiliates of Mack-Cali Realty Corporation and Mack-Cali Realty, L.P., as Borrowers, Mack-Cali Realty Corporation and Mack-Cali Realty L.P., as Guarantors and The Prudential Insurance Company of America, as Lender (filed as Exhibit 10.1 to the Company's Form 8-K dated November 12, 2004 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.76	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).
10.77	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).
10.78	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).
10.79	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).
10.80	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), as amended by the First Amendment to the 2000 Employee Stock Option Plan (filed as Exhibit 10.17 to the Company's Form 10-Q dated June 30, 2002 and incorporated herein by reference).
10.81	Amended and Restated 2000 Director Stock Option Plan (filed as Exhibit 10.2 to the Company's Post-Effective Amendment No. 1 to Registration Statement on Form S-8, Registration No. 333-100244, and incorporated herein by reference).
10.82	Mack-Cali Realty Corporation 2004 Incentive Stock Plan (filed as Exhibit 10.1 to the Company's Registration Statement on Form S-8, Registration No. 333-116437, and incorporated herein by reference).
10.83	Deferred Compensation Plan for Directors (filed as Exhibit 10.1 to the Company's Registration Statement on Form S-8, Registration No. 333-80081, and incorporated herein by reference).
10.84	Form of Indemnification Agreement by and between Mack-Cali Realty Corporation and each of William L. Mack, John J. Cali, Mitchell E. Hersh, John R. Cali, David S. Mack, Martin S. Berger, Alan S. Bernikow, Kenneth M. Duberstein, Martin D. Gruss, Nathan Gantcher, Vincent Tese, Roy J. Zuckerberg, Alan G. Philibosian, Irvin D. Reid, Robert F. Weinberg, Barry Lefkowitz, Roger W. Thomas, Michael A. Grossman, Mark Yeager, Anthony Krug, Dean Cingolani, Anthony DeCaro Jr., Mark Durno, William Fitzpatrick, John Kropke, Nicholas Mitarotonda, Jr., Michael Nevins, Virginia Sobol, Albert Spring, Daniel Wagner, Deborah Franklin, John Marazzo, Christopher DeLorenzo, Jeffrey Warner, Diane Chayes and James Corrigan (filed as Exhibit 10.28 to the Company's Form 10-Q dated September 30, 2002 and incorporated herein by reference).
10.85	Indemnification Agreement dated October 22, 2002 by and between Mack-Cali Realty Corporation and John Crandall (filed as Exhibit 10.29 to the Company's Form 10-Q dated September 30, 2002 and incorporated herein by reference).
10.86	Second Amendment to Contribution and Exchange Agreement, dated as of June 27, 2000, between RMC Development Company, LLC f/k/a Robert Martin Company, LLC, Robert Martin Eastview North Company, L.P., the Company and the Operating Partnership (filed as Exhibit 10.44 to the Company's Form 10-K dated December 31, 2002 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.87	Limited Partnership Agreement of Meadowlands Mills/Mack-Cali Limited Partnership by and between Meadowlands Mills Limited Partnership, Mack-Cali Meadowlands Entertainment L.L.C. and Mack-Cali Meadowlands Special L.L.C. dated November 25, 2003 (filed as Exhibit 10.1 to the Company's Form 8-K dated December 3, 2003 and incorporated herein by reference).
10.88	Redevelopment Agreement by and between the New Jersey Sports and Exposition Authority and Meadowlands Mills/Mack-Cali Limited Partnership dated December 3, 2003 (filed as Exhibit 10.2 to the Company's Form 8-K dated December 3, 2003 and incorporated herein by reference).
10.89	First Amendment to Redevelopment Agreement by and between the New Jersey Sports and Exposition Authority and Meadowlands Mills/Mack-Cali Limited Partnership dated October 5, 2004 (filed as Exhibit 10.54 to the Company's Form 10-Q dated September 30, 2004 and incorporated herein by reference).
10.90	Letter Agreement by and between Mack-Cali Realty Corporation and The Mills Corporation dated October 5, 2004 (filed as Exhibit 10.55 to the Company's Form 10-Q dated September 30, 2004 and incorporated herein by reference).
10.91	First Amendment to Limited Partnership Agreement of Meadowlands Mills/Mack-Cali Limited Partnership by and between Meadowlands Mills Limited Partnership, Mack-Cali Meadowlands Entertainment L.L.C. and Mack-Cali Meadowlands Special L.L.C. dated as of June 30, 2005 (filed as Exhibit 10.66 to the Company's Form 10-Q dated June 30, 2005 and incorporated herein by reference).
10.92	Mack-Cali Rights, Obligations and Option Agreement by and between Meadowlands Developer Limited Partnership, Meadowlands Limited Partnership, Meadowlands Developer Holding Corp., Meadowlands Mack-Cali GP, L.L.C., Mack-Cali Meadowlands Special, L.L.C., Baseball Meadowlands Mills/Mack-Cali Limited Partnership, A-B Office Meadowlands Mack-Cali Limited Partnership, C-D Office Meadowlands Mack-Cali Limited Partnership, Hotel Meadowlands Mack-Cali Limited Partnership and ERC Meadowlands Mills/Mack-Cali Limited Partnership dated November 22, 2006 (filed as Exhibit 10.92 to the Company's Form 10-K dated December 31, 2006 and incorporated herein by reference).
10.93	Redemption Agreement by and among Meadowlands Developer Limited Partnership, Meadowlands Developer Holding Corp., Mack-Cali Meadowlands entertainment L.L.C., Mack-Cali Meadowlands Special L.L.C., and Meadowlands Limited Partnership dated November 22, 2006 (filed as Exhibit 10.93 to the Company's Form 10-K dated December 31, 2006 and incorporated herein by reference).
10.94	Contribution and Exchange Agreement by and between Mack-Cali Realty, L.P. and Tenth Springhill Lake Associates L.L.L.P., Eleventh Springhill Lake Associates L.L.L.P., Twelfth Springhill Lake Associates L.L.L.P., Fourteenth Springhill Lake Associates L.L.L.P., each a Maryland limited liability limited partnership, Greenbelt Associates, a Maryland general partnership, and Sixteenth Springhill Lake Associates L.L.L.P., a Maryland limited liability limited partnership, and certain other natural persons, dated as of November 21, 2005 (filed as Exhibit 10.69 to the Company's Form 10-K dated December 31, 2005 and incorporated herein by reference).
10.95	Membership Interest Purchase and Contribution Agreement by and among Mr. Stanley C. Gale, SCG Holding Corp., Mack-Cali Realty Acquisition Corp. and Mack-Cali Realty, L.P. dated as of March 7, 2006 (filed as Exhibit 10.1 to the Company's Form 8-K dated March 7, 2006 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.96	Amendment No. 1 to Membership Interest Purchase and Contribution Agreement dated as of March 31, 2006 (filed as Exhibit 10.1 to the Company's Form 8-K dated March 28, 2006 and incorporated herein by reference).
10.97	Amendment No. 2 to Membership Interest Purchase and Contribution Agreement dated as of May 9, 2006 (filed as Exhibit 10.1 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.98	Contribution and Sale Agreement by and among Gale SLG NJ LLC, a Delaware limited liability company, Gale SLG NJ MEZZ LLC, a Delaware limited liability company, and Gale SLG RIDGEFIELD MEZZ LLC, a Delaware limited liability company and Mack-Cali Ventures L.L.C. dated as of March 7, 2006 (filed as Exhibit 10.2 to the Company's Form 8-K dated March 7, 2006 and incorporated herein by reference).
10.99	First Amendment to Contribution and Sale Agreement by and among GALE SLG NJ LLC, a Delaware limited liability company, GALE SLG NJ MEZZ LLC, a Delaware limited liability company, and GALE SLG RIDGEFIELD MEZZ LLC, a Delaware limited liability company, and Mack-Cali Ventures L.L.C., a Delaware limited liability company, dated as of May 9, 2006 (filed as Exhibit 10.4 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.100	Non-Portfolio Property Interest Contribution Agreement by and among Mr. Stanley C. Gale, Mr. Mark Yeager, GCF II Investor LLC, The Gale Investments Company, LLC, Gale & Wentworth Vreeland, LLC, Gale Urban Solutions LLC, MSGW-ONE Campus Investors, LLC, Mack-Cali Realty Acquisition Corp. and Mack-Cali Realty, L.P. dated as of May 9, 2006 (filed as Exhibit 10.2 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.101	Loan Agreement by and among the entities set forth on Exhibit A, collectively, as Borrowers, and Gramercy Warehouse Funding I LLC, as Lender, dated May 9, 2006 (filed as Exhibit 10.5 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.102	Promissory Note of One Grande SPE LLC, 1280 Wall SPE LLC, 10 Sylvan SPE LLC, 5 Independence SPE LLC, 1 Independence SPE LLC, and 3 Becker SPE LLC, as Borrowers, in favor of Gramercy Warehouse Funding I, LLC, as Lender, in the principal amount of $90,286,551 dated May 9, 2006 (filed as Exhibit 10.6 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.103	Mortgage, Security Agreement and Fixture Filing by and between 4 Becker SPE LLC, as Borrower, and Wachovia Bank, National Association, as Lender, dated May 9, 2006 (filed as Exhibit 10.7 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.104	Promissory Note of 4 Becker SPE LLC, as Borrower, in favor of Wachovia Bank, National Association, as Lender, in the principal amount of $43,000,000 dated May 9, 2006 (filed as Exhibit 10.8 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.105	Mortgage, Security Agreement and Fixture Filing by and between 210 Clay SPE LLC, as Borrower, and Wachovia Bank, National Association, as Lender, dated May 9, 2006 (filed as Exhibit 10.9 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.106	Promissory Note of 210 Clay SPE LLC, as Borrower, in favor of Wachovia Bank, National Association, as Lender, in the principal amount of $16,000,000 dated May 9, 2006 (filed as Exhibit 10.10 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.107	Mortgage, Security Agreement and Fixture Filing by and between 5 Becker SPE LLC, as Borrower, and Wachovia Bank, National Association, as Lender, dated May 9, 2006 (filed as Exhibit 10.11 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.108	Promissory Note of 5 Becker SPE LLC, as Borrower, in favor of Wachovia Bank, National Association, as Lender, in the principal amount of $15,500,000 dated May 9, 2006 (filed as Exhibit 10.12 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.109	Mortgage, Security Agreement and Fixture Filing by and between 51 CHUBB SPE LLC, as Borrower, and Wachovia Bank, National Association, as Lender, dated May 9, 2006 (filed as Exhibit 10.13 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.110	Promissory Note of 51 CHUBB SPE LLC, as Borrower, in favor of Wachovia Bank, National Association, as Lender, in the principal amount of $4,500,000 dated May 9, 2006 (filed as Exhibit 10.14 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.111	Form of Amended and Restated Limited Liability Company Agreement of Mack-Green-Gale LLC dated , 2006 (filed as Exhibit 10.3 to the Company's Form 8-K dated March 7, 2006 and incorporated herein by reference).
10.112	Form of Limited Liability Company Operating Agreement (filed as Exhibit 10.3 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.113	Agreement of Sale and Purchase dated August 9, 2006 by and between Mack-Cali Realty, L.P. and Westcore Properties AC, LLC (filed as Exhibit 10.91 to the Company's Form 10-Q dated September 30, 2006 and incorporated herein by reference).
10.114	First Amendment to Agreement of Sale and Purchase dated September 6, 2006 by and between Mack-Cali Realty, L.P. and Westcore Properties AC, LLC (filed as Exhibit 10.92 to the Company's Form 10-Q dated September 30, 2006 and incorporated herein by reference).
10.115	Second Amendment to Agreement of Sale and Purchase dated September 15, 2006 by and between Mack-Cali Realty, L.P. and Westcore Properties AC, LLC (filed as Exhibit 10.93 to the Company's Form 10-Q dated September 30, 2006 and incorporated herein by reference).
10.116	Agreement of Sale and Purchase dated September 25, 2006 by and between Phelan Realty Associates L.P., 795 Folsom Realty Associates L.P. and Westcore Properties AC, LLC (filed as Exhibit 10.94 to the Company's Form 10-Q dated September 30, 2006 and incorporated herein by reference).
10.117	Membership Interest Purchase and Contribution Agreement dated as of December 28, 2006, by and among NKFGMS Owners, LLC, The Gale Construction Services Company, L.L.C., NKFFM Limited Liability Company, Scott Panzer, Ian Marlow, Newmark & Company Real Estate, Inc. d/b/a Newmark Knight Frank, and Mack-Cali Realty, L.P (filed as Exhibit 10.117 to the Company's Form 10-K dated December 31, 2006 and incorporated herein by reference).
10.118	Operating Agreement of NKFGMS Owners, LLC (filed as Exhibit 10.118 to the Company's Form 10-K dated December 31, 2006 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.119	Loans, Sale and Services Agreement dated December 28, 2006 by and between Newmark & Company Real Estate, Inc. d/b/a Newmark Knight Frank, Mack-Cali Realty, L.P., and Newmark Knight Frank Global Management Services, LLC (filed as Exhibit 10.119 to the Company's Form 10-K dated December 31, 2006 and incorporated herein by reference).
10.120	Term Loan Agreement among Mack-Cali Realty, L.P. and JPMorgan Chase Bank, N.A. as Administrative Agent, J.P. Morgan Securities Inc. as Arranger, and other lender which may become parties to this Agreement dated November 29, 2006 (filed as Exhibit 10.120 to the Company's Form 10-K dated December 31, 2006 and incorporated herein by reference).
10.121*	Agreement of Purchase and Sale among SLG Broad Street A LLC and SLG Broad Street C LLC, as Sellers, and M-C Broad 125 A L.L.C. and M-C Broad 125 C L.L.C., as Purchasers, dated as of March 15, 2007.
10.122*	Agreement of Purchase and Sale among 500 West Putnam L.L.C., as Seller, and SLG 500 West Putnam LLC, as Purchaser, dated as of March 15, 2007.
31.1*	Certification of the Company's President and Chief Executive Officer, Mitchell E. Hersh, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Company's Chief Financial Officer, Barry Lefkowitz, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of the Company's President and Chief Executive Officer, Mitchell E. Hersh, and the Company's Chief Financial Officer, Barry Lefkowitz, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

*filed herewith

Exhibit 10.121

AGREEMENT OF PURCHASE AND SALE

among

SLG BROAD STREET 125 A LLC

and

SLG BROAD STREET 125 C LLC,

collectively,

Seller

and

M-C 125 BROAD A L.L.C.

and

M-C 125 BROAD C L.L.C.,

collectively,

Purchaser

Premises:

UNIT A

and

UNIT C

THE 125 BROAD CONDOMINIUM

125 Broad Street

New York, New York

As of March 15, 2007

Section: 1
Block: 5
Lots: 101 and 103

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List of Exhibits

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE ("**Agreement**"), made as of March ___, 2007, by and among SLG Broad Street 125 A LLC ("**Unit A Seller**") and SLG Broad Street 125 C LLC ("**Unit C Seller**"; together with Unit A Seller, individually and collectively, " **Seller**"), each a Delaware limited liability company, having an office c/o SL Green Realty Corp., 420 Lexington Avenue, New York, New York 10170 and M-C 125 Broad A L.L.C. ("**Unit A Purchaser**") and M-C 125 Broad C L.L.C. ("**Unit C Purchaser**"; together with Unit A Purchaser, individually and collectively, (" **Purchaser**"), each a Delaware limited liability company, having an office c/o Mack-Cali Realty Corp., 343 Thornall Street, Edison, New Jersey 08837.

W I T N E S S E T H:

A. Unit A Seller owns the Unit A Property (as hereinafter defined), and Unit C Seller owns the Unit C Property (as hereinafter defined).

B. Subject to the terms and conditions set forth below, Purchaser desires to acquire the Property (as hereinafter defined) from Seller, and Seller desires to sell the Property to Purchaser.

C. Simultaneously herewith 500 West Putnam, L.L.C., an affiliate of Purchaser ("**WP Seller**") and SLG 500 West Putnam LLC, an affiliate of Seller ("**WP Purchaser**") are executing and delivering that certain Agreement of Purchase and Sale (the "**WP Purchase Agreement**"), pursuant to which WP Seller shall sell to WP Purchaser and WP Purchaser shall purchase from WP Seller the land and improvements thereon located at 500 West Putnam Avenue, Greenwich, Connecticut (the "**WP Property**"), subject to the terms and conditions contained in the WP Purchase Agreement.

1. Agreement to Sell and Purchase; Description of Property.

1.1 Upon the terms and conditions hereinafter contained, (a) Unit A Seller agrees to sell and convey to Unit A Purchaser, and Unit A Purchaser agrees to purchase from Unit A Seller, Unit A (as hereinafter defined), and (b) Unit C Seller agrees to sell and convey to Unit C Purchaser, and Unit C Purchaser agrees to purchase from Unit C Seller, Unit C (as hereinafter defined). As used herein, (i) "**Unit A**" shall mean the condominium unit designated as Commercial Unit A in the building (the "**Building**") known as "The 125 Broad Condominium" (the "**Condominium**") upon the land (the "**Land**") located at 125 Broad Street, New York, New York, as more particularly described in **Exhibit A** attached hereto and made a part hereof, together with a 25.405% undivided interest in the Common Elements appurtenant thereto, as defined in that certain Declaration of Condominium dated as of December 23, 1994, recorded in the Office of the City Register, New York County (the "**Register's Office**") on January 10, 1995 in Reel 2171, Page 1959, as amended by (1) First Amendment to Declaration dated as of March 28, 1995 and recorded in the Register's Office on April 6, 1995 in Reel 2197, Page 1306, (2) Second Amendment to Declaration dated as of December 30, 1996 and recorded in the Register's Office on February 6, 1997 in Reel 2419, Page 2025, (3) Third Amendment to Declaration dated as of June 1, 1997 and recorded in the Register's Office on June 13, 1998 in Reel 2531 Page 375, (4) Fourth Amendment to Declaration dated as of June 17, 1998 and recorded in the Register's Office on June 25, 1998 in Reel 2601, Page 1393, (5) Fifth Amendment to Declaration dated as of August 4, 1999 and recorded in the Register's Office on September 10, 1999 in Reel 2951, Page 456 and (6) Sixth Amendment to Declaration, dated as of July 1, 2004 and recorded in the Register's Office on July 26, 2004 at CRFN 2004072600847002 (as so amended, the "**Declaration**"), and the By-Laws of the Condominium, as the same may have been amended from time to time (the "**By-Laws**"; the Declaration and By-Laws being hereinafter referred to collectively as the "**Condominium Documents**"), and (ii) "**Unit C**" shall mean the condominium unit designated as Commercial Unit C in the Condominium, together with a 14.224% undivided interest in the Common Elements appurtenant thereto (Unit A and Unit C are hereinafter referred to individually as a "**Unit**" and collectively as the "**Units**").

1.2 Each Unit shall be sold and conveyed together with (a) the undivided interest attributable to such Unit in the fee estate in and to the Land; (b) all of Seller's rights, privileges and easements, if any, appurtenant to each Unit including, without limitation, development rights and air rights relating to the Units and any other easements, rights-of-ways or appurtenances used in connection with the beneficial use and enjoyment of the Units, as set forth in the Condominium Documents; (c) all Seller's right, title and interest (i) in and to the improvements, machinery and fixtures located within, attached or appurtenant to, or at or upon all or any portion of the Units as of the date hereof or used in connection with the operation of, or used or adapted for use in connection with the enjoyment or occupation of the Units, excluding however, any fixtures owned by public utilities or Space Lessees (as hereinafter defined) under the Space Leases (as hereinafter defined) or by the Condominium, together with the Plans (as hereinafter defined) (collectively, the "**Improvements**"), and (ii) in and to all tangible personal property located on or used solely in connection with the ownership, operation or maintenance of the Units and the Improvements (collectively, the "**Personal Property**") and (iii) as landlord under all Space Leases; (d) all Warranties (as hereinafter defined) used in connection with all or any portion of the Units and the Improvements; (e) all intangible personal property now or hereafter owned by Seller and used in the ownership, use, operation, occupancy, maintenance or development of the property and interests described in clauses (a) through (d) above, including, without limitation, all future tax benefits (excluding income tax benefits) and benefits of incentive programs now or hereafter allowed by governmental authorities in connection with the ownership, operation and/or renovation of the Units ("**Intangible Personal Property**"); and (f) to the extent transferable, all governmental and public certificates, permits, licenses and approvals relating to the development, construction, operation, use, maintenance or occupancy of the Units (individually and collectively "**Permits**").

All of the above enumerated property, rights and interests to be sold to Purchaser pursuant to this Agreement (including, without limitation, the Units and Improvements) are hereinafter sometimes referred to, as to Unit A, as the "**Unit A Property**", as to Unit C, as the "**Unit C Property**" and, collectively, as the "**Property**". Purchaser and Seller acknowledge that the Units and all other portions of the Property are to be sold and purchased in a single transaction. Purchaser shall not be entitled or obligated to purchase either Unit separately and Seller shall not be entitled or obligated to sell either Unit separately.

2. Exceptions to Title; Title Matters.

2.1 Seller shall at the Closing (as hereinafter defined) convey the Property subject only to the following matters affecting title thereto (collectively the "**Permitted Exceptions**"):

2.1.1 All presently existing and future liens for unpaid real estate taxes, vault charges and water and sewer charges not due and payable as of the date of the Closing, subject to adjustment as provided below.

2.1.2 All zoning, building, environmental and other laws, ordinances, codes, restrictions and regulations of all governmental authorities having jurisdiction with respect to the Property in effect on the Closing Date, including, without limitation, landmark designations and all zoning variances and special exceptions, if any (collectively, "**Laws and Regulations**").

2.1.3 The Declaration and By-Laws.

2.1.4 State of facts shown on survey of the Property made by Earl B. Lovell - S.P. Belcher, Inc. on June 14, 1971, as updated on September 7, 2002, (the "**Survey**") plus such additional facts which would be disclosed by a survey dated the date hereof, provided such additional facts do not materially adversely affect the use thereof for office purposes (collectively, "**Facts**").

2.1.5 Rights of tenants of the Units pursuant to Space Leases which either are (a) in effect on the date hereof, or (b) entered into after the date hereof in accordance with the express provisions of this Agreement (collectively, "**Space Lessees**") and all persons claiming by, through or under such Space Lessees.

2.1.6 All covenants, restrictions and rights and all easements and agreements for the erection and/or maintenance of water, gas, steam, electric, telephone, sewer or other utility pipelines, poles, wires, conduits or other like facilities, and appurtenances thereto, over, across and under the Property provided same do not adversely affect the use of the Property for office purposes (collectively, "**Rights**").

2.1.7 Except as shown on the Survey, possible encroachments and/or projections of stoop areas, roof cornices, window trims, vent pipes, cellar doors, steps, columns and column bases, flue pipes, signs, piers, lintels, window sills, fire escapes, satellite dishes, protective netting, sidewalk sheds, ledges, fences, coping walls (including retaining walls and yard walls), air conditioners and the like, if any, projecting from the Building over any street or highway, the Property or over any adjoining property and encroachments of similar elements projecting from adjoining property over the Common Elements provided such matters do not adversely affect the use of the Property for office purposes.

2.1.8 The matters described in **Exhibit B** attached hereto and made a part hereof.

2.1.9 Those objections to title which are the responsibility to cure, correct or remove of (a) the Board of Managers pursuant to the Condominium Documents, or (b) any Space Lessee under its Space Lease.

2.1.10 All service, maintenance, telecommunications and other contracts (excluding Space Leases) in connection with the Property, as set forth on Exhibit T and attached hereto and made a part hereof, and all renewals, replacements and extensions of same or additional contracts that may hereafter be entered into in accordance with this Agreement (collectively, "**Service Contracts**").

2.1.11 All violations of building, fire, sanitary, environmental, housing and similar Laws and Regulations with respect to the Units (collectively, "**Violations**") existing as of the date hereof and any Violations arising after the date hereof, but prior to Closing, which remain uncured as of the Closing Date (such Violations, "**Contract Period Violations**"), provided, that the fines associated with curing Contract Period Violations shall not exceed $300,000 in the aggregate (the "**Violations Cap**").

2.1.12 Variations between tax lot lines and lines of record title.

2.1.13 Standard exclusions from coverage contained in the form of Owner's Policy of Title Insurance (ALTA 10-17-92) or "marked-up" title commitment with respect to such policy employed by the Title Company (as hereinafter defined).

2.1.14 Any financing statements, chattel mortgages, encumbrances or mechanics' or other liens evidenced by any financing statements filed on a day more than five (5) years prior to the Closing.

2.1.15 Any lien or encumbrance arising from the acts of Purchaser or its affiliates.

2.1.16 Intentionally omitted.

2.2 1) (a) Title to the Property has been examined by Land America Commercial Services ("**Land America**"), and Purchaser acknowledges receipt of Lawyers Title Insurance Corporation Title Commitment LT070113, dated January 26, 2007 issued by Lawyers Title Insurance Corporation, New York Branch (the "**Existing Title Report**") on or prior to the date hereof. At Closing, Purchaser shall seek to have title to the Property insured at Purchaser's sole cost and expense (except for such affirmative coverages for which Purchaser is entitled pursuant to this Agreement at no additional cost or special premium) by Land America or such other nationally recognized title insurer (the "**Additional Title Company**") as Purchaser may designate (Land America or the Additional Title Insurance Company, in such capacity, the "**Title Company**"). Notwithstanding the foregoing, in the event that the Additional Title Company is unwilling to omit or provide affirmative insurance for any exception which Land America will omit or insure, or is not willing to accept any affidavits, proofs or releases that Land America will accept, Purchaser shall purchase not less than 50% of its title insurance from Land America and Land America shall be the "lead insurer". Purchaser agrees that the Existing Title Report contains no exceptions to title to the Property which are not covered by the exceptions to title set forth in Section 2.1 hereof and "subject to" which Purchaser is not required to accept title, and irrevocably accepts the Existing Title Report and unconditionally waives any right to object to any matters set forth therein except as expressly set forth above. Purchaser shall instruct the Title Company to forward a copy of the Title Report and any updates thereto to Seller's counsel simultaneously with delivery thereof to Purchaser.

(b) If, after the date hereof, Purchaser learns, through the Title Report, continuation reports or other written updates thereto, of any title defect(s) which Purchaser claims are not covered by Section 2.1 hereof and "subject to" which Purchaser believes it is not required to accept title, Purchaser shall give written notice thereof to Seller promptly after the date Purchaser receives such continuation report or other written update and Purchaser shall be deemed to have unconditionally waived any such matters as to which it fails to give such written notice to Seller within five (5) Business Days after the date Purchaser receives such continuation report or other written update. Purchaser acknowledges and agrees that TIME IS OF THE ESSENCE with respect to all time periods set forth in this Section 2.2.

2.3 If, on the Closing Date, Seller is unable to convey to Purchaser title to the Property subject to and in accordance with the provisions of this Agreement, Seller shall be entitled, upon notice delivered to Purchaser on or prior to the Closing Date (as hereinafter defined), to reasonable adjournments of the Closing one or more times for a period not to exceed sixty (60) days in the aggregate, but in no event beyond the Outside Closing Date to enable Seller to convey such title to the Property. If, on or before the date then scheduled for Closing, Seller does not so elect to adjourn the Closing, or if at the adjourned date Seller is unable to convey title subject to and in accordance with the provisions of this Agreement, Purchaser may (a) terminate this Agreement by written notice to Seller and Escrow Agent (as hereinafter defined) delivered on the date scheduled for Closing, in which event Escrow Agent shall repay to Purchaser the Downpayment (as hereinafter defined), together with any interest earned thereon or return to Purchaser the Downpayment LC (a "**Downpayment Return**"), or (b) elect to close title to the Property upon the terms set forth in Section 2.4 by notice given to Seller, in which event the Closing shall occur no later than three (3) Business Days following such election, but in no event later than the Outside Closing Date. The failure by Purchaser to make an election within five (5) Business Days after the Closing Date shall be deemed an election not to close title to the Property and to terminate this Agreement. If Purchaser shall elect, or be deemed to have elected, to terminate this Agreement, upon the Downpayment Return, this Agreement shall be deemed canceled and become void and of no further effect, and neither party hereto shall have any obligations of any nature to the other hereunder or by reason hereof, except that the provisions of Sections 12, 13, 23 and 29 hereof shall survive such termination. If Seller elects to adjourn the Closing as provided above, this Agreement shall remain in effect for the period or periods of adjournment in accordance with its terms. Seller shall not be required to take or bring any action or proceeding or any other steps to remove any defect in or objection to title or to fulfill any condition precedent to Purchaser's obligations under this Agreement or to expend any moneys therefor, nor shall Purchaser have any right of action against Seller therefor, at law or in equity, except that notwithstanding the foregoing, Seller shall pay, discharge or remove of record or cause to be paid, discharged or removed of record at Seller's sole cost and expense all of the following items: (i) Voluntary Liens (as hereinafter defined) and (ii) liens encumbering the Property which (v) are not Voluntary Liens, (w) are not the responsibility of either a Space Lessee under its Space Lease or the Board of Managers (as hereinafter defined) pursuant to the Condominium Documents to pay, discharge or remove of record, (x) are in liquidated amounts, (y) may be satisfied solely by the payment of money (including the preparation or filing of appropriate satisfaction instruments in connection therewith) and (z) do not exceed $500,000.00 in the aggregate (the "**Title Cure Cost Limit**"). The term "**Voluntary Liens**" as used herein shall mean liens and other encumbrances (other than Permitted Exceptions), whether or not in liquidated sums, which Seller has knowingly and intentionally suffered or allowed to be placed on the Property after the date hereof (which excludes judgments, Violations (as hereinafter defined) and federal, state and municipal tax liens).

2.4 Notwithstanding anything in Section 2.3 above to the contrary, Purchaser may at any time accept such title as Seller can convey, without reduction of the Purchase Price (as hereinafter defined) or any credit or allowance on account thereof or any claim against Seller, except that Purchaser shall be entitled to a credit against the Purchase Price in an amount equal to the lesser of (a) the actual cost of curing all defects in or objections to title to the Property that Seller is obligated to cure pursuant to Section 2.3 but has not cured, and (b) the Title Cure Cost Limit less any amounts expended by Seller in curing defects or objections to title. The acceptance of the Deeds (as hereinafter defined) by Purchaser shall be deemed to be full performance of, and discharge of, every agreement and obligation on Seller's part to be performed under this Agreement, except for such matters which are expressly stated in this Agreement to survive the Closing.

2.5 The amount of any unpaid taxes, assessments and water and sewer charges which Seller is obligated to pay and discharge, with interest and penalties, may at the option of Seller be paid by Purchaser out of the balance of the Purchase Price, if official bills therefor with interest and penalties thereon figured to said date are furnished to or obtained by the Title Company at the Closing for payment thereof and the Title Company omits from the Title Policy any exception therefor.

2.6 If the Property shall, at the time of the Closing, be subject to any liens such as for judgments or transfer, inheritance, estate, franchise, license or other similar taxes or any encumbrances or other title exceptions which would be grounds for Purchaser to reject title hereunder, the same shall not be deemed an objection to title provided that, at the Closing, Seller pays, by Wire Transferred Funds (as hereinafter defined) the amount required to satisfy the same, or at Seller's option, allows Purchaser a credit against the Purchase Price in an amount sufficient to (a) cause the Title Company at the Closing to omit the same as an exception to the Title Policy (without payment of any special premium) and (b) to satisfy and discharge of record such liens and encumbrances together with the cost of recording or filing such instruments required in connection therewith.

2.7 Other than with respect to such endorsements as may be required in order to render title in compliance with the terms of this Agreement, Purchaser shall be solely responsible for causing the Title Company, at Purchaser's sole cost and expense to issue any endorsements that Purchaser requires, and the issuance of such endorsements, except as aforesaid, shall not be a condition precedent to Closing or Purchaser's obligation to perform as required hereunder.

3. Purchase Price and Payment.

3.1 The purchase price payable to Seller for the Property is Two Hundred Seventy-Three Million and 00/100 Dollars ($273,000,000.00) (the "**Purchase Price**"), of which One Hundred Eighty Eight Million Three Hundred Seventy Thousand and 00/100 Dollars ($188,370,000.00) is allocable to the Unit A Property and Eighty Four Million Six Hundred Thirty Thousand and 00/100 Dollars ($84,630,000.00) is allocable to the Unit C Property, subject to such apportionments, adjustments and credits as are provided herein.

3.2 The Purchase Price shall be payable as follows:

3.2.1 On the date hereof, THIRTEEN MILLION SIX HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS ($13,650,000.00) (the "**DP Amount**"), is payable concurrently herewith in immediately available funds, by federal funds wire transfer ("**Wire Transferred Funds**") to the Title Company, as escrow agent (in such capacity, "**Escrow Agent**") pursuant to the instructions (the "**Wire Instructions**") set forth on **Exhibit C** attached hereto and made a part hereof (the "**Downpayment**"). The Downpayment shall be held by Escrow Agent and disbursed in accordance with the terms and conditions of this Agreement. Any interest earned on the Downpayment shall be deemed to be part of the Downpayment and shall be paid together with the principal portion of the Downpayment to the party entitled thereto. Interest earned on the Downpayment shall not be credited toward the Purchase Price at Closing and shall, upon the Closing, be and remain the property of Seller. Notwithstanding the foregoing, Purchaser shall have the right at any time prior to Closing to substitute the Downpayment by providing Escrow Agent with a clean irrevocable non-documentary Letter of Credit payable on sight draft only, with a term of not less than one year and otherwise reasonably acceptable to Escrow Agent naming Escrow Agent as beneficiary in the full amount of the Downpayment issued by a nationally recognized money-center bank which is a member of the New York clearinghouse, in form reasonably satisfactory to Seller (a "**Downpayment LC**"). Upon Seller's approval of the letter of credit and delivery of the letter of credit to Escrow Agent, Escrow Agent shall promptly return the cash Downpayment to Purchaser by wire transfer of immediately available funds pursuant to wire instructions to be provided by Purchaser to Escrow Agent.

3.2.2 On the Closing Date, as follows:

(a) If the Closing occurs prior to the Outside Closing Date (as hereinafter defined) by:

(i) the acceptance by Unit A Purchaser of title to the Unit A Property subject to, and assumption of the outstanding principal balance as of the Closing Date of that certain indebtedness (the "**Unit A Indebtedness**") evidenced by that certain promissory note dated October 10, 2000, in favor of UBS Principal Finance LLC ("**Existing Lender**") in the original principal amount of $55,900,000.00 (the "**Unit A Note**") and secured, inter alia, by that certain Amended, Restated and Consolidated Mortgage and Security Agreement of even date therewith encumbering the Unit A Property (the "**Existing Unit A Mortgage**") and the other documents and instruments evidencing, securing or otherwise relating to the Unit A Indebtedness, all of which are described in **Exhibit J** attached hereto and made a part hereof;

(ii) the acceptance by Unit C Purchaser of title to the Unit C Property subject to, and the assumption of the outstanding principal balance as of the Closing Date of that certain indebtedness (the "**Unit C Indebtedness**" and, together with the Unit A Indebtedness, collectively, the "**Existing Indebtedness**") evidenced by that certain promissory note, dated October 10, 2000, in favor of Existing Lender in the original principal amount of $22,100,000.00 (the "**Unit C Note**" and, together with the Unit A Note, collectively, the "**Note**"), and secured, inter alia, by that certain Amended and Restated Mortgage and Security Agreement of even date therewith encumbering the Unit C Property (the "**Existing Unit C Mortgage**", and together with the Existing Unit A Mortgage, collectively, the "**Existing Mortgage**"), and the other documents and instruments evidencing or securing the Unit C Indebtedness, all of which are described in **Exhibit J** (the Note, the Existing Mortgage and such other documents and instruments which evidence and secure the Existing Indebtedness are collectively referred to herein as the "**Existing Loan Documents**");

(iii) (A) if Purchaser has made the Downpayment in cash, payment to Seller of the amount by which (x) the Purchase Price exceeds (y) the sum of (1) the Existing Indebtedness plus (2) the DP Amount, and (B) if Purchaser has delivered a Downpayment LC, payment to Seller of the amount by which the Purchase Price exceeds the Existing Indebtedness, in each case, subject to the apportionments, adjustments and credits provided in this Agreement, by wire transfer of immediately available funds to an account or accounts designated by Seller.

(b) If the Closing occurs on the Outside Closing Date, (i) if Purchaser has made the Downpayment in cash, Purchaser shall pay to Seller the amount by which the Purchase Price exceeds the Downpayment and (ii) if Purchaser has delivered a Downpayment LC, Purchaser shall pay to Seller the Purchase Price, in each case subject to apportionments, adjustments and credits as provided in this Agreement.

3.2.3 The parties hereto acknowledge and agree that the value of the Personal Property and the Intangible Personal Property is de minimis and that no part of the Purchase Price is allocable thereto.

3.3 Subject to Section 23.1.3, whenever in this Agreement Purchaser is entitled to a return of the Downpayment, Purchaser shall be entitled to the return of the Downpayment actually being held by Escrow Agent pursuant to this Agreement, together with all interest earned thereon or, if Purchaser has provided a Downpayment LC, return of the Downpayment LC. Subject to Section 23.1.3, whenever in this Agreement Seller is entitled to retain the Downpayment, Seller shall be entitled to the Downpayment actually being held by Escrow Agent pursuant to this Agreement, together with all interest earned thereon or the Downpayment LC actually delivered to Escrow Agent and shall be entitled to draw or instruct Escrow Agent to draw thereupon and Escrow Agent shall deliver the proceeds of such Downpayment LC to Seller.

3.4 For the purposes of this Agreement, the capitalized term "**Business Day**" means any day of the year on which banks are not required or are authorized by law to close in New York City.

3.5 Whenever it is provided in this Agreement that Purchaser is entitled to a credit to be applied toward payment of the Purchase Price, Seller may elect to pay to Purchaser at Closing, by Wire Transferred Funds, an amount equal to such credit as Purchaser is so entitled in lieu of such credits.

4. Closing.

4.1 The closing of the transaction contemplated hereby (the "**Closing**") shall occur at 10:00 AM Eastern Standard Time on April 30, 2007 (such date, as the same may be adjourned as provided herein, being herein referred to as the "**Closing Date**").

4.2 Purchaser and Seller shall each be entitled to adjourn the date scheduled for Closing one or more times by delivering to the other notice of any such adjournment on or before the then scheduled Closing Date, setting forth the adjourned date for Closing. Notwithstanding the foregoing, under no circumstances shall the Closing Date be adjourned to a date later than 10:00 AM Eastern Standard Time on June 11, 2007 (the "**Outside Closing Date**").

4.3 The Closing will occur at the offices of Greenberg Traurig, LLP, 200 Park Avenue, New York, New York 10166. TIME SHALL BE OF THE ESSENCE WITH RESPECT TO THE OBLIGATION OF BOTH SELLER AND PURCHASER TO CLOSE ON THE OUTSIDE CLOSING DATE.

5. As Is.

5.1 (a) Except as is expressly set forth in this Agreement to the contrary, Purchaser is expressly purchasing the Property "AS IS, WHERE IS, AND WITH ALL FAULTS" as of the date hereof. Seller has specifically bargained for the assumption by Purchaser of all responsibility to investigate the Property, Laws and Regulations, Facts, Space Leases and Service Contracts and of all risk of adverse conditions existing as of the date hereof and has structured the Purchase Price and other terms of this Agreement in Purchase Price thereof. Purchaser has undertaken all such investigations of the Property, Laws and Regulations, Facts, Space Leases and Service Contracts as Purchaser deems necessary or appropriate under the circumstances as to the current status of the Property and based upon same, except as is expressly set forth in this Agreement to the contrary, Purchaser is and will be relying solely upon such inspections and examinations and the advice and counsel of its own consultants, agents, legal counsel and officers.

(b) EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER SELLER NOR ANY PERSON ACTING ON BEHALF OF SELLER, NOR ANY PERSON OR ENTITY WHICH PREPARED OR PROVIDED ANY OF THE MATERIALS REVIEWED BY PURCHASER IN CONDUCTING ITS DUE DILIGENCE, NOR ANY DIRECT OR INDIRECT OFFICER, DIRECTOR, PARTNER, MEMBER, SHAREHOLDER, EMPLOYEE, AGENT, REPRESENTATIVE, ACCOUNTANT, ADVISOR, ATTORNEY, PRINCIPAL, AFFILIATE, CONSULTANT, CONTRACTOR, SUCCESSOR OR ASSIGN OF ANY OF THE FOREGOING PARTIES (SELLER AND ALL OF THE OTHER PARTIES DESCRIBED IN THE PRECEDING PORTIONS OF THIS SENTENCE (OTHER THAN PURCHASER AND/OR ANY AFFILIATE THEREOF) SHALL BE REFERRED TO HEREIN COLLECTIVELY AS THE "**EXCULPATED PARTIES**") HAS MADE OR SHALL BE DEEMED TO HAVE MADE ANY ORAL OR WRITTEN REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESSED OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE (INCLUDING WITHOUT LIMITATION WARRANTIES OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE), WITH RESPECT TO THE PROPERTY, THE PERMITTED USE OF THE PROPERTY OR THE ZONING AND OTHER LAWS AND REGULATIONS APPLICABLE THERETO OR THE COMPLIANCE BY THE PROPERTY THEREWITH, THE REVENUES AND EXPENSES GENERATED BY OR ASSOCIATED WITH THE PROPERTY OR OTHERWISE RELATING TO THE PROPERTY OR THE TRANSACTIONS CONTEMPLATED HEREIN. PURCHASER FURTHER ACKNOWLEDGES THAT EXCEPT AS EXPRESSLY SET FORTH IN THE AGREEMENT, ALL MATERIALS THAT HAVE BEEN PROVIDED BY ANY OF THE EXCULPATED PARTIES HAVE BEEN PROVIDED WITHOUT ANY WARRANTY OR REPRESENTATION, EXPRESSED OR IMPLIED AS TO THEIR SUITABILITY FOR ANY PURPOSE OR ACCURACY AND EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, PURCHASER SHALL NOT HAVE ANY RECOURSE AGAINST SELLER OR ANY OF THE OTHER EXCULPATED PARTIES IN THE EVENT OF ANY ERRORS THEREIN OR OMISSIONS THEREFROM. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, PURCHASER IS ACQUIRING THE PROPERTY BASED SOLELY ON ITS OWN INDEPENDENT INVESTIGATION AND INSPECTION OF THE PROPERTY AND NOT IN RELIANCE ON ANY INFORMATION PROVIDED BY SELLER, OR ANY OF THE OTHER EXCULPATED PARTIES.

5.2 Except as is expressly set forth in this Agreement to the contrary Seller hereby disclaims all warranties of any kind or nature whatsoever (including warranties of habitability and fitness for particular purposes), whether expressed or implied, including, without limitation, warranties with respect to the Property. Except as is expressly set forth in this Agreement to the contrary, Purchaser acknowledges that it is not relying upon any representation of any kind or nature made by Seller, or any of its direct or indirect members, partners, shareholders, officers, directors, employees or agents (collectively, the "**Seller Related Parties**") with respect to the Property. Notwithstanding anything to the contrary contained herein, this Article 5 does not limit or affect in any way any indemnification provision contained in this Agreement.

5.3 Seller makes no warranty with respect to the presence of Hazardous Materials (as hereinafter defined) within the Units. Purchaser's consummation of the closing hereunder shall be deemed to constitute an express waiver of Purchaser's right to cause Seller to be joined in any action brought under any Environmental Laws (as hereinafter defined). The term "**Hazardous Materials**" shall mean (a) those substances included within the definitions of any one or more of the terms "hazardous materials", "hazardous wastes", "hazardous substances", "industrial wastes", and "toxic pollutants", as such terms are defined under the Environmental Laws, or any of them, (b) petroleum and petroleum products, including, without limitation, crude oil and any fractions thereof, (c) natural gas, synthetic gas and any mixtures thereof, (d) asbestos and or any material which contains any hydrated mineral silicate, including, without limitation, chrysotile, amosite, crocidolite, tremolite, anthophylite and/or actinolite, whether friable or non-friable, (e) polychlorinated biphenyl ("**PCBs**") or PCB-containing materials or fluids, (f) radon, urea formaldehyde, lead, lead in drinking water or lead based paint, (g) any pathogen, toxin or other biological agent or condition including, without limitation, any fungus, mold, mycotoxin or microbial matter naturally occurring or otherwise, (h) any other hazardous or radioactive substance, material, pollutant, contaminant or waste, and (i) any other substance with respect to which any Environmental Law or governmental authority requires environmental investigation, monitoring or remediation. The term "**Environmental Laws**" shall mean all federal, state and local laws, statutes, guidelines, codes, ordinances, regulations, now or hereafter in effect, in each case as amended or supplemented from time to time, including, without limitation, all applicable judicial or administrative orders, applicable consent decrees and binding judgments relating to the regulation and protection of human health, safety, the environment and natural resources (including, without limitation, ambient air, surface, water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation), including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. §§ 9601 et seq.), the Hazardous Material Transportation Act, as amended (49 U.S.C. §§ 1801 et seq.), the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. §§ 136 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S. §§ 6901 et seq.), the Toxic Substance Control Act, as amended (42 U.S.C. §§ 7401 et seq.), the Clean Air Act, as amended (42 U.S.C. §§ 7401 et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. §§ 1251 et seq.), the Occupational Safety and Health Act, as amended (29 U.S.C. §§ 651 et seq.), the Safe Drinking Water Act, as amended (42 U.S.C. §§ 300f et seq.), Environmental Protection Agency regulations pertaining to Asbestos (including, without limitation, 40 C.F.R. part 61, Subpart M), the United States Environmental Protection Agency Guidelines on Mold Remediation in Schools and Commercial Buildings, the United States Occupational Safety and Health Administration regulations pertaining to Asbestos (including, without limitation, 29 C.F.R. Sections 1910.1001 and 1926.58), applicable New York State and New York City statutes and the rules and regulations promulgated pursuant thereto regulating the storage, use and disposal of Hazardous Materials, the New York City Department of Health Guidelines on Assessment and Remediation of Fungi in Indoor Environments and any state or local counterpart or equivalent of any of the other federal statutes, rules and regulations set forth above, and any federal, state or local transfer of ownership notification or approval statutes.

5.4 Subject to Section 2.1.11, Purchaser shall accept title to the Property at Closing subject to any and all Violations (whether or not of record), including, without limitation, those which are either (a) the express obligation of a Space Lessee under its Space Lease or (b) the obligation of the Board of Managers pursuant to the Condominium Documents, to be cured and removed of record.

5.5 Purchaser has relied solely upon Purchaser's own knowledge of the Property based on Purchaser's due diligence in determining the Property's physical condition. Except as expressly set forth in this Agreement to the contrary, Purchaser releases Seller, the Seller Related Parties and their respective successors and assigns from and against any and all claims which Purchaser or any party related to or affiliated with Purchaser (each, a "**Purchaser Related Party**") has or may have arising from or related to any matter or thing related to or in connection with the Property including the documents and information referred to herein, the Space Leases and the Space Lessees thereunder, any construction defects, errors or omissions in the design or construction and any environmental conditions, and, except as expressly set forth in this Agreement to the contrary, neither Purchaser nor any Purchaser Related Party shall look to Seller, the Seller Related Parties or their respective successors and assigns in connection with the foregoing for any redress or relief. This release shall be given full force and effect according to each of its express terms and provisions, including those relating to unknown and unsuspected claims, damages and causes of action. To the extent required to be operative, the disclaimers and warranties contained herein are "conspicuous" disclaimers for purposes of any applicable law, rule, regulation or order. Seller acknowledges and agrees that the disclaimer and release contained in this Section 5.5 specifically excludes and does not apply to Purchaser's right to implead Seller in any action against Purchaser by any third-party and/or governmental entity relating to the physical, environmental and/or structural condition of the Property or any law or regulation applicable thereto.

5.6 Purchaser further acknowledges and agrees that Purchaser's due diligence included the opportunity to assess the financial status and credit quality of the Space Lessees. Seller is making no warranties regarding the financial status or credit quality of any Space Lessee either currently or at Closing, and Purchaser assumes the risk between the date hereof and the Closing of any diminution of the financial status or credit quality or any bankruptcy of any Space Lessee. Without limiting the generality of the foregoing, Purchaser assumes the risk that between the date hereof and the Closing Date (i) any Space Lessee may default of its obligations under its Space Lease, or may increase the period of its delinquency in payment of rent, and Seller may terminate the applicable Space Lease on account thereof, or (ii) any Space Lease may be rejected in a bankruptcy proceeding of a Space Lessee, and any such default, termination or rejection shall not constitute or contribute to a breach of any representation or warranty of Seller under this Agreement or to the failure of a condition to Purchaser's obligation to close title hereunder, nor shall Purchaser be entitled to any reduction of the Purchase Price on account thereof.

5.7 In the event the fines associated with curing Contract Period Violations exceed the Violations Cap, then Purchaser shall have the right, in its sole discretion, to either (a) terminate this Agreement by written notice to Seller and Escrow Agent in which event Escrow Agent shall repay to Purchaser the Downpayment, together with any interest earned thereon or return to Purchaser the Downpayment L/C or (b) elect to close title to the Property without any adjustment to the Purchase Price; provided however that in the event that Purchaser elects to terminate this Agreement pursuant to clause (a) above, Seller shall have the right, by written notice to Purchaser delivered not later than five (5) business days after Seller's receipt of Purchaser's termination notice, to elect to cause Purchaser to close title to the Property and receive a credit against the Purchase Price in an amount by which the fines associated with curing the Contract Period Violations exceed the Violations Cap, in which event Purchaser's termination notice shall be null and void and Purchaser shall be obligated to close title hereunder.

5.8 The provisions of this Section 5 shall survive the termination of this Agreement or the Closing and shall not be deemed to have merged into any of the documents executed or delivered at the Closing.

6. Apportionments.

6.1 At the Closing, the following items shall be apportioned between the parties as of 11:59 PM on the day preceding the Closing Date. Except as hereinafter expressly provided, all prorations shall be done on the basis of a three hundred sixty-five (365) day year and the actual number of days elapsed to the Closing Date or the actual number of days in the month in which the Closing occurs, as applicable. Any errors in the apportionments pursuant to this Section 6 shall be corrected by appropriate re-adjustment between Seller and Purchaser post-Closing, provided that notice of any such error, with supporting calculations, shall be given by Purchaser to Seller or by Seller to Purchaser, as the case may be, no later than one (1) year after the Closing, and all such apportionments shall be deemed final as of such date. Except as otherwise specifically provided for herein, all apportionments shall be made in the manner recommended by the Customs in Respect to Title Closings of the Real Estate Board of New York, Inc., and there shall be no other apportionments. The items to be apportioned are:

6.1.1 (a)Fixed rent (including electricity, if applicable) under Space Leases ("**Fixed Rent**") which is collected on or prior to the Closing in respect of the month in which the Closing occurs (the "**Current Month**"), shall be apportioned on a per diem basis based upon the number of days in the Current Month prior to the Closing Date (which shall be allocated to Seller) and the number of days in the Current Month on and after the Closing Date (which shall be allocated to Purchaser). If, at the Closing, any Fixed Rent is unpaid subject to clause (c) below, payments of Fixed Rent thereafter received from such Space Lessee shall be applied and disbursed in the following order and priority:

(i) First, on account of Fixed Rent owing by such Space Lessee in respect of the Current Month, to be apportioned between Seller and Purchaser as provided in Section 6.1.1(a);

(ii) Next, to Purchaser, in an amount equal to all other Fixed Rent owing by such Space Lessee in respect of all periods after the Current Month;

(iii) Next, to Seller, in an amount equal to all other Fixed Rent owing by such Space Lessee in respect of all periods prior to the Current Month; and

(iv) The balance, if any, to Purchaser.

Each party agrees to remit reasonably promptly to the other the amount of such rents to which such party is so entitled and to account to the other party monthly in respect of same. Seller shall have the right from time to time for a period of three hundred sixty-five (365) days following the Closing, on reasonable prior notice to Purchaser, to review Purchaser's rental records with respect to the Property to ascertain the accuracy of such accountings. All such reviews shall be conducted at Purchaser's place of business during normal business hours at no cost or expense to Purchaser and in a manner which does not interfere with Purchaser's business operations or those of its tenants. Purchaser shall have the right from time to time for a period of three hundred sixty-five (365) days following the Closing, on reasonable prior notice to Seller, to review Seller's rental records with respect to the Property to ascertain the accuracy of such accountings. All such reviews shall be conducted at Seller's place of business during normal business hours at no cost or expense to Seller and in a manner which does not interfere with Seller's business operations or those of its tenants.

(b) If the Closing shall occur prior to the time when any rental payments for fuel pass-alongs, so-called escalation rent or charges based upon real estate taxes, operating expenses, labor costs, cost of living or consumer price increases, a percentage of sales or like items (collectively, "**Overage Rent**") are payable for any period which includes the period prior to the Closing, then such Overage Rent for the applicable accounting period in which the Closing occurs shall be apportioned subsequent to the Closing. Purchaser agrees that it will receive in trust and pay over to Seller, within thirty (30) days after Purchaser's receipt thereof, a pro-rated amount of such Overage Rent paid subsequent to the Closing by such Space Lessee based upon the portion of such accounting period which occurs prior to the Closing (to the extent not theretofore collected by Seller on account of such Overage Rent prior to the Closing), and shall account to Seller in respect of the same. If, prior to the Closing, Seller shall collect any sums on account of Overage Rent or fixed rent for a year or other period, or any portion of such year or other period, beginning prior but ending subsequent to the Closing, such sums shall be apportioned at the Closing as of the date of the Closing.

(c) Overage Rent prepaid by Space Lessees or otherwise payable by Space Lessees based on an estimated amount and subject to adjustment or reconciliation pursuant to the related Space Leases subsequent to the Closing shall be apportioned as provided in Section 6.1.1(b) hereof and shall be re-apportioned as and when the related Space Lessee's actual obligation for such Overage Rent is reconciled pursuant to the related Space Lease. Purchaser and Seller shall jointly determine whether the items constituting Overage Rent have been overbilled or underbilled with respect to accounting periods prior to or in which the Closing occurs. If Purchaser and Seller determine (subject to any protest rights of any Space Lessee) that there has been an overbilling and an overbilled amount has been received, Purchaser shall reimburse or credit against Overage Rent next coming due such amount to the Space Lessees which paid the excess amount and the parties shall contribute to such reimbursement in the respective proportions in which the applicable overbilled Overage Rents were previously apportioned between the parties as provided in Section 6.1.1(b). If Purchaser and Seller determine (subject to any protest rights of any Space Lessee) that there has been an underbilling, the additional amount may be billed to the Space Lessees who are determined to owe such additional amount, and the parties shall apportion such amount(s) so received in the respective proportions in which Overage Rents were previously apportioned between the parties as provided in Section 6.1.1(b). If Purchaser fails or refuses to seek Seller's approval of any determination as to the existence of any underbilling or overbilling and unilaterally makes such determination, Seller shall have no obligation to contribute toward any reimbursement of Space Lessees made by Purchaser and Seller shall be entitled to recover from Purchaser Seller's proportionate share of any underbilled amount established by Seller.

(d) Amounts payable by Space Lessees in respect of overtime heat, air conditioning or other utilities or services, freight elevator charges, supplemental water, HVAC and condenser charges, services or repairs and labor costs associated therewith, above standard cleaning and all other items which are payable to Seller as reimbursement or payment for above standard overtime services whether pursuant to such Space Lessee's Space Lease or pursuant to a separate agreement with Seller (collectively "**Reimburseables**") shall not be adjusted, and shall, subject to clause (c) above, belong to the party furnishing such utilities, labor or services to such Space Lessee.

(e) If any Space Lessee expressly identifies any payment of Post Closing Rent as a payment made to be in respect of a period prior to the Closing, or such payment of Post Closing Rent is otherwise determinable from the context of such payment as being in respect of a period prior to the Closing (e.g., it is accompanied by an invoice for an item of Fixed Rent or Overage Rent in such amount), then, provided that at the time of such payment such Space Lessee is current for the period following the Closing in the payment of (i) Fixed Rent, and (ii) that portion of Overage Rent relating to real estate taxes, the payment (or portion thereof) so identified shall be remitted by Purchaser to Seller (subject to apportionment if in respect of the Current Month).

(f) All unapplied security deposits and advance rentals in the nature of security deposits paid by Space Lessees (or any predecessor thereof) pursuant to Space Leases ("**Security Deposits**") which are described in **Exhibit D**, shall be delivered to Purchaser at the Closing or, at the option of Seller, Security Deposits held in cash at Closing shall be credited toward the Purchase Price. Any transfer fees or charges due in respect of the assignment and/or replacement of any unapplied security deposit comprised of a letter of credit (a "**Security LC**") shall be borne by Seller. To the extent that any Security LC shall not be transferable as of the Closing, Seller and Purchaser shall cooperate with each other following the Closing so as to transfer the same to Purchaser or to obtain a replacement letter of credit with respect thereto in favor of Purchaser as soon as practicable after the Closing. Seller shall deliver any such Security LC to Purchaser at the Closing and until any such Security LC shall be transferred or replaced, Seller shall, within two (2) Business Days of receipt of Purchaser's certification that an event has occurred under the applicable Space Lease entitling the landlord thereunder to apply the Security Deposit, draw upon the same and deliver the proceeds to Purchaser for Purchaser's application in accordance with the applicable Space Lease provided that such certification of Purchaser shall contain an agreement in form and substance reasonably satisfactory to Seller, whereby Purchaser indemnifies and holds Seller harmless from and against any and all obligations, liabilities, claims, demands, losses, damages, causes of action, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) arising in connection with such drawing. The provisions of this Section 6.1.1(g) shall survive the Closing.

(g) (i) For a period not to exceed six (6) months subsequent to the Closing, Purchaser agrees that it shall include in its regular rent statements to Space Lessees the amount of any Fixed Rent and Overage Rent due to Seller pursuant to this Agreement; provided, however, that Purchaser shall not be required to institute legal proceedings for the collection of such sums or incur any additional expense in connection therewith.

(ii) Prior to the Closing, Seller may bring an action against any Space Lessee for which an Arrearage exists, and subsequent to the Closing, Seller shall retain the right to bring a separate and independent cause of action for money damages only against any Space Lessee as to which an Arrearage exists as of the Closing, it being understood and agreed that, as of the date hereof, Seller shall have no right to terminate any Space Lease without the Purchaser's prior written consent, exercisable by Purchaser in its sole discretion. At any time after Seller commences any such action, Purchaser, at its sole option, may purchase the Arrearage from Seller for an amount equal the Arrearage which exists as of the Closing. Thereafter Purchaser shall be the sole party entitled to bring an action or proceeding (or maintain the action commenced by Seller) against any Space Lessee for which such an advance has been made. All payments thereafter received in respect of the Arrearage by Purchaser shall be retained by Purchaser.

(h) Seller shall have the right from time to time for a period expiring on the later of (i) of one hundred eighty (180) days following the Closing, or (ii) the disposition or settlement of any litigation pending against any Space Lessee on reasonable prior notice to Purchaser, to review Purchaser's rental records with respect to the Property to ascertain the accuracy of such accountings. All such reviews shall be conducted at Seller's place of business during normal business hours at no cost or expense to Seller and in a manner which does not interfere with Seller's business operations or those of its tenants. Purchaser shall have the right from time to time for a period of one hundred eighty (180) days following the Closing, on reasonable prior notice to Seller, to review Seller's rental records with respect to the Property to ascertain the accuracy of such accountings. All such reviews shall be conducted at Purchaser's place of business during normal business hours at no cost or expense to Purchaser and in a manner which does not interfere with Purchaser's business operations or those of its tenants.

6.1.2 Except to the extent required to be paid by Space Lessees directly to the applicable taxing authority pursuant to the related Space Leases, real estate taxes, BID charges or assessments, unmetered water and sewer charges and vault charges, if any, and any and all other municipal or governmental assessments of any and every nature levied or imposed upon the Property in respect of the current fiscal year of the applicable taxing authority in which the Closing Date occurs (the "**Current Tax Year**"), on a per diem basis based upon the number of days in the Current Tax Year prior to the Closing Date (which shall be allocated to and paid by Seller on or prior to Closing) and the number of days in the Current Tax Year on and after the Closing Date (which shall be allocated to Purchaser). If the Closing shall occur before the tax rate for the Current Tax Year is fixed, the apportionment of real estate taxes shall be upon the basis of the tax rate for the next preceding fiscal period applied to the latest assessed valuation. Promptly after the new tax rate is fixed for the fiscal period in which the Closing takes place, the apportionment of real estate taxes shall be recomputed. In the event that the tax rate for the Current Tax Year is adjusted after the date hereof, the adjusted tax rate shall be deemed to apply to real estate taxes for the entire Current Tax Year, and the installment of real estate taxes payable in respect of the Property on January 1, 2007 shall be recalculated to reflect the new tax rate for the purposes of apportionment hereunder. Upon the Closing Date and subject to the adjustment provided above, Purchaser shall be responsible for real estate taxes and assessments levied or imposed upon the Property payable in respect of the Current Tax Year and all periods after the Current Tax Year. In the event that any assessments levied or imposed upon the Property are payable in installments, the installment for the Current Tax Year shall be prorated in the manner set forth above and Purchaser hereby assumes the obligation to pay any such installments due on and after the Closing Date.

6.1.3 (a) If the Closing occurs prior to the Outside Closing Date, Interest accrued in respect of the Existing Indebtedness for the Current Month, on a per diem basis, based upon the number of days in the Current Month prior to the Closing (which shall be allocated to and paid by Seller), and the number of days on and after the Closing (which shall be the responsibility of Purchaser).

(b) If Purchaser assumes the Existing Indebtedness pursuant to Section 35 below, the amounts held by Existing Lender (as hereinafter defined) in the reserve and escrow accounts (individually, a "**Reserve Account**" and collectively, the "**Reserve Accounts**") set forth in **Exhibit H** attached hereto and made a part hereof, shall be assigned to Purchaser, and Seller shall receive a credit at Closing in an amount equal to the balance in the Reserve Accounts.

6.1.4 Common Charges (as defined in the Declaration) payable in respect of the Units, determined to be due by the Board of Managers of the Condominium (the "**Board of Managers**"). Such apportionment shall at Closing be based upon the amounts paid by Seller pursuant to the current budget of the Condominium, and shall be recalculated after the Closing when actual Common Charges for the period which includes the Current Month are finally determined by the Board of Managers. Seller shall at Closing pay all Unit Expenses (as defined in the Declaration) payable in respect of the period prior to the Closing.

6.1.5 Charges payable under Service Contracts in respect of the Current Billing Period on a per diem basis based upon the number of days in the current billing period prior to the Closing Date (which shall be allocated to Seller) and the number of days in the current billing period on and after the Closing Date (which shall be allocated to Purchaser) and assuming that all charges are incurred uniformly during the current billing period.

6.1.6 Tenant Improvement Costs (as hereinafter defined), if any, as listed on **Exhibit S** and Payable Commissions (as hereinafter defined), if any, payable under the Leasing Brokerage Agreements (as hereinafter defined) and listed on **Exhibit E**, in each case in respect of any and all Space Leases entered into at any time prior to the date hereof, shall be either paid by Seller on or prior to the Closing or credited to Purchaser at Closing. Commissions payable in connection with the exercise after the date hereof of any renewal, extension or expansion option provided for in any Space Lease shall be allocated to, and paid by Purchaser.

6.1.7 Any charges or fees for transferable licenses and Permits for the Property.

6.1.8 The remaining unpaid cost of any work required to complete capital improvement projects that have been commenced, but not completed, as of the date hereof (but not projects included in the current budget that have not been commenced as of the date hereof), which costs are set forth on Exhibit CC attached hereto, shall be credited to Purchaser.

6.1.9 Seller shall be responsible for all Tenant Improvement Costs identified as unclaimed on **Exhibit E** ("**Unclaimed TIs**"). To the extent that any such Unclaimed TIs have not been claimed by the tenant entitled thereto and have not been paid by Seller prior to Closing, if such Unclaimed TIs are later claimed by the applicable tenant, then upon receipt of proof of payment thereof by the Purchaser, Seller shall or shall cause SL Green Realty Corp. to pay to Purchaser an amount equal to the amount paid by Purchaser in respect of such Unclaimed TI.

6.1.10 Interest and administrative fees allowable by law on Space Lessees' security deposits as provided in Section 6.1.1(f).

6.1.11 All other items customarily apportioned in connection with sales of similar property in the State and City of New York.

6.2 If there are water meters or submeters measuring water consumption within the Units or any meters or submeters measuring the supply of steam, electricity or gas, Seller shall endeavor to furnish readings to a date not more than five (5) days prior to the Closing Date, and the unfixed meter charges and the unfixed sewer rents, if any, based thereon for the intervening time shall be apportioned on the basis of such last readings. If Seller fails or is unable to obtain such readings, the Closing shall nevertheless proceed and the parties shall apportion the meter charges and sewer rents on the basis of the last readings and bills received by Seller and the same shall be appropriately readjusted after the Closing on the basis of the next subsequent bills. Unpaid water meter and other utility charges as of the Closing Date which (a) are the obligation of Space Lessees under Space Leases who are current in all monetary obligations under their respective Space Lease and (b) are less than thirty (30) days old, shall not be an objection to title and Purchaser shall look solely to such Space Lessees for collection of such amounts.

6.3 Seller shall furnish to Purchaser not less than two (2) Business Days prior to the Closing a proposed closing statement setting forth proposed closing adjustments and other credits and charges to each party pursuant to this Agreement.

6.4 The provisions of this Section 6 shall survive the Closing; provided, however, that any re-prorations or re-apportionments shall be made as and when required under Section 6.1 above. Any corrected adjustment or proration shall be paid in Wire Transferred Funds to the party entitled thereto.

7. Representations and Warranties of the Parties; Certain Covenants.

7.1 Unit A Seller warrants, represents and covenants to and with Purchaser solely as to itself and as to Unit A and Unit C Seller warrants, represents and covenants to and with Purchaser solely as to itself and as to Unit C that the following are true and correct as to such entity on the date hereof (or as of the date set forth on the applicable Exhibit if a preparation date is set forth thereon):

7.1.1 Seller is a limited liability company duly formed and in good standing under the laws of the State of Delaware and has the requisite power and authority to enter into and to perform the terms of this Agreement. Seller is not subject to any law, order, decree, restriction or agreement which prohibits or would be violated by this Agreement or the consummation of the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action of Seller. This Agreement constitutes, and each document and instrument contemplated hereby to be executed and delivered by Seller, when executed and delivered, shall constitute the legal, valid and binding obligation of Seller enforceable against Seller in accordance with its respective terms (subject to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally).

7.1.2 Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code 1986, as amended, or any regulations promulgated thereunder (collectively, the "**Code**").

7.1.3 Except for the waiver by Citibank of the right of first offer of Citibank to purchase Unit A, which waiver Seller and Purchaser acknowledge and agree has been obtained and is attached hereto as Exhibit BB, neither the execution, delivery and performance of this Agreement nor the consummation of the transactions contemplated hereby is prohibited by, or requires Seller to obtain any consent, authorization, approval or registration under any law, statute, rule, regulation, judgment, order, writ, injunction or decree which is binding upon Seller other than the right of the Board of Managers to object to the transfer of the Property.

7.1.4 There are no judgments, orders, or decrees of any kind against Seller unpaid or unsatisfied of record, nor any actions, suits or other legal or administrative proceedings pending or, to the best of Seller's actual knowledge, threatened in writing against Seller, which could have any material adverse effect on Seller or the Property or the ability of Seller to consummate the transactions contemplated by this Agreement.

7.1.5 There are no leases or other written agreements for the use or occupancy of all or any portion of the Property to which Seller is a party or by which Seller is bound other than those set forth on **Exhibit F** attached hereto and made a part hereof (such leases or occupancy agreements, together with all renewals, replacements and amendments thereof entered into after the date hereof in accordance with Section 27, being herein referred to as the "**Space Leases**"). Seller has delivered or made available to Purchaser true, correct and complete copies of all of the Space Leases, and has delivered to Purchaser or made available to Purchaser for review all material tenant correspondence relating to the Space Leases in the possession or control of Seller or Seller's property manager (collectively, the "**Lease Files**").

7.1.6 As to the Space Leases:

(a) None has been modified except as set forth on **Exhibit F** and, to Seller's knowledge each is in full force and effect. The rent roll (the "**Rent Roll**") attached hereto as **Exhibit G** is true, accurate and complete in all material respects as of the date hereof. No Space Lessee is more than thirty (30) days in arrears of its obligations to pay Fixed Rent or Overage Rent, except as set forth on the schedule attached hereto as **Exhibit G-1** and made a part hereof (the "**Arrearage Schedule**").

(b) (i)Seller has not received written notice that it is in default in any of its obligations under any Space Lease which has not been cured or waived in writing.

(c) Except as expressly set forth in the Space Leases, no Space Lessee is entitled to any free rent, abatement, rent concession or tenant improvement allowance, other than Tenant Improvement Costs, if any, which are to be prorated pursuant to Section 6.1.6.

(d) Except as otherwise set forth in Space Leases or in the Rent Roll, no Space Lessee has prepaid any rents or additional rents for more than one (1) month in advance.

(e) Seller is in possession of the Security Deposits set forth in the schedule attached hereto as **Exhibit D** and made a part hereof, which schedule correctly sets forth whether such Security Deposit is held in cash or Security LC. No security deposits in the form of cash deposits or letters of credit have been paid to Seller by or on behalf of the Space Lessees except as set forth in Exhibit D.

(f) Except as set forth on **Exhibit E** attached hereto and made a part hereof, there are no leasing brokerage commissions (or unpaid installments thereof) with respect to any Space Leases (the "**Payable Commissions**") which are now due and payable (including, renewals, extensions or expansions of any Space Lease, regardless of whether or not such renewal, extension or expansion is pursuant to a provision contained in an existing Space Lease). **Exhibit E** sets forth the sole leasing brokerage agreements entered into by Seller ("**Leasing Brokerage Agreements**") relating to the Property in effect on the date hereof. At Closing, Purchaser shall assume the obligations of Seller arising from and after the Closing under the Leasing Brokerage Agreements pursuant to the Omnibus Assignment (as hereinafter defined).

(g) Except as set forth on **Exhibit S**, there is no tenant improvement work required to be performed by the landlord under any Space Lease or for which the landlord is required under any Space Lease to reimburse any Space Lessee which has not been completed and/or the costs of which (the "**Tenant Improvement Costs**") have not been paid.

(h) Notwithstanding anything to the contrary contained in this Agreement, (i) Seller does not represent or warrant that any particular Space Lease will be in force or effect at Closing, that the Space Lessees will have performed their obligations under the Space Leases or that the Space Lessees will not be the subject of bankruptcy proceedings, that any demised premises under any Space Lease are actively occupied by any Space Lessee and (ii) the existence of any default by a Space Lessee, the failure of a Space Lessee to perform its obligations under its Space Lease, the termination of any Space Lease prior to Closing by reason of the Space Lessee's default or the existence of bankruptcy proceedings pertaining to any Space Lessee, shall not, except as otherwise provided herein, affect the obligation of Purchaser to close under this Agreement.

7.1.7 Seller has not received written notice from a governmental authority of violation of any Environmental Law that has not been cured.

7.1.8 Except as set forth on the Rent Roll attached hereto as **Exhibit G** or on the list of pending litigation attached hereto and made a part hereof as **Exhibit I** and other than actions or suits covered by insurance, there are no actions to which Seller is a party, suits to which Seller is a party or proceedings to which Seller is a party (including landlord/tenant proceedings) pending or threatened in writing against Seller or the Property, at law or in equity, before any federal, state, municipal or governmental department, commission, board, bureau, agency or instrumentality which is reasonably likely to, if adversely determined, prohibit or impair Seller from consummating the transactions contemplated hereby. There are no disputes pending or threatened by Seller or, to the best of Seller's knowledge, any other Owners (as defined in the Declaration) against the Board of Managers or any other Owners and there are no pending or, to the best of Seller's knowledge, threatened arbitrations of any such disputes, as contemplated under Section 8.01 of the By-Laws. **Exhibit I-1** sets forth all pending Tax Proceedings (as hereinafter defined).

7.1.9 There are no employees of Seller working at or in connection with the Property and Seller is not a party to any union or collective bargaining agreements or employment agreements affecting the Property as of the date hereof nor shall any such agreements be in effect as of the Closing Date.

7.1.10 Seller's affiliate, S.L. Green Management Corp. is the current managing agent of the Condominium under the Management Agreement dated March 28, 2003.

7.1.11 As to the Condominium:

(a) The Declaration has not been further modified or amended.

(b) The Board of Managers is comprised of ten (10) individuals, of whom Marc Holliday, Greg Hughes, Andrew Levine, Andrew Mathias and Ed Piccinich are the five (5) designees of Seller currently entitled to serve on the Board of Managers (all designees of Seller, from time to time, collectively, the "**Seller Designees**").

(c) Upon the execution hereof, Seller will provide notice to the Board of Managers of Seller's intention to transfer the Units to Purchaser in the form attached hereto as **Exhibit K** and made a part hereof. Seller shall provide Purchaser with a true, correct and complete copy of such notice simultaneously with its delivery to the Board of Managers.

(d) To the best knowledge of Seller, Seller has not failed to perform any of its obligations under the Declaration and, accordingly, the Board of Managers has not made any expenditure or incurred any obligation on behalf of Seller.

(e) Neither Seller nor, to the best knowledge of Seller, any of the occupants of the Units has erected or is now maintaining any antenna or related equipment on the roof of the Building, except as set forth in **Exhibit L** attached hereto and made a part hereof.

(f) To the best of Seller's knowledge, other than as set forth in the 2007 budget delivered to Purchaser, the Board of Managers has not adopted, and has no plans to adopt, any planned special assessment or maintenance increase for the Units or any other portion of the Building.

7.1.12 There are no Service Contracts in respect of the Property except as set forth on **Exhibit T** attached hereto and made a part hereof. Seller has delivered to Purchaser true, correct and complete copies of all of the Service Contracts. Nothing herein contained shall be deemed to be a guaranty, warranty or assurance that the Service Contracts, or any of them, will be in effect at the Closing, and the termination of any Service Contract prior to the Closing shall not affect Purchaser's obligations hereunder.

7.1.13 All undisputed bills and claims for labor performed and materials furnished to or for the account of Seller arising prior to the Closing Date will be paid in full by Seller in the ordinary course of business.

7.1.14 Seller has not received any written notice from any governmental authority of (i) any pending, threatened or contemplated annexation or condemnation proceedings, or private purchase in lieu thereof, affecting or which may affect the Property or the Building, or any part thereof, (ii) any proposed or pending proceeding to change or redefine the zoning classification of all or any part of the Property or the Building, (iii) any proposed or pending special condominium, tax or other assessments affecting the Property or any portion thereof and (iv) any penalties or interest due with respect to real estate taxes assessed against the Property.

7.1.15 Seller has not received written notice from any governmental authority that any of the Permits are subject to, or in jeopardy of, cancellation or non-renewal. True, correct and complete copies of Permits that are within the possession or control of Seller have been provided or made available to Purchaser.

7.1.16 Seller represents to Purchaser that neither it nor any of its constituents have engaged in any dealings or transactions, directly or indirectly, (a) in contravention of any U.S., international or other money laundering regulations or conventions, including, without limitation, the United States Bank Secrecy Act, the United States Money Laundering Control Act of 1986, the United States International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, Trading with the Enemy Act (50 U.S.C. § I et seq., as amended), or any foreign asset control regulations of the United States Treasury Department (31 DFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto, or (b) in contravention of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56, the "**USA PATRIOT ACT**") or Executive Order No. 13224 dated September 24, 2001 issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), as may be amended or supplemented from time to time ("Anti-Terrorism Order") or on behalf of terrorists or terrorist organizations, including those persons or entities that are included on any relevant lists maintained by the United Nations, North Atlantic Treaty Organization, Organization of Economic Cooperation and Development, Financial Action Task Force, U.S. Office of Foreign Asset Control, U.S. Securities & Exchange Commission, U.S. Federal Bureau of Investigation, U.S. Central Intelligence Agency, U.S. Internal Revenue Service, or any country or organization, all as may be amended from time to time. Neither Seller nor any of its constituents (i) are or will be conducting any business or engaging in any transaction with any person appearing on the U.S. Treasury department's Office of Foreign Asset Control list of restrictions and prohibited persons, or (ii) are a person described in section 1 of the Anti-Terrorism Order, and to the best of Seller's knowledge, respectively neither Seller nor any of its affiliates have engaged in any dealings or transactions, or otherwise been associated with any such person. The provisions of this subsection shall survive the Closing or earlier termination of this Agreement.

For the purposes of this Agreement, the terms "to the actual knowledge of Seller", "to the best of Seller's actual knowledge", "to Seller's knowledge", "Seller has no knowledge" and phrases of similar import shall mean the actual, present knowledge (and not constructive knowledge) of Andrew S. Levine, Isaac Zion and Karen Scologna without investigation or inquiry and shall not mean that Seller or such individual is charged with knowledge of the acts, omissions and/or knowledge of Seller's property manager (or any employee thereof) or of Seller's other agents or employees or of Seller's predecessors in title to the Property. The representations and warranties of Seller set forth in this Section 7.1 are subject to the limitation that to the extent that Seller has delivered to Purchaser any Space Leases prior to the date hereof, and either such Space Leases or the Permitted Exceptions contain provisions inconsistent with any representation or warranty, then such representation or warranty shall be deemed modified to conform to such provisions.

7.2 Unit A Purchaser warrants, represents and covenants to and with Seller solely as to itself and Unit C Purchaser warrants, represents and covenants to and with Seller solely as to itself that the following are true and correct on the date hereof:

7.2.1 Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware and has the requisite power and authority to enter into and to perform the terms of this Agreement. Purchaser has the corporate power and authority to execute, deliver and perform this Agreement. Purchaser is not subject to any law, order, decree, restriction, or agreement which prohibits or would be violated by this Agreement or the consummation of the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action of Purchaser. This Agreement constitutes, and each document and instrument contemplated hereby to be executed and delivered by Purchaser, when executed and delivered, shall constitute the legal, valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its respective terms (subject to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditor's rights generally).

7.2.2 Neither the execution, delivery and performance of this Agreement nor the consummation of the transactions contemplated hereby is prohibited by, or requires Purchaser to obtain any consent, authorization, approval or registration under any law, statute, rule, regulation, judgment, order, writ, injunction or decree which is binding upon Purchaser.

7.2.3 There are no judgments, orders, or decrees of any kind against Purchaser unpaid or unsatisfied of record, nor any actions, suits or other legal or administrative proceedings pending or, to the best of Purchaser's actual knowledge, threatened against Purchaser, which would have any material adverse effect on the business or assets or the condition, financial or otherwise, of Purchaser or the ability of Purchaser to consummate the transactions contemplated by this Agreement.

7.2.4 Purchaser is not acquiring the Property with the assets of an employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")), or, if plan assets will be used to acquire the Property, Purchaser will deliver to Seller at Closing a certificate containing such factual representations as shall permit Seller and its counsel to conclude that no prohibited transaction would result from the consummation of the transactions contemplated by this Agreement. Purchaser is not a "party in interest" within the meaning of Section 3(3) of ERISA with respect to any beneficial owner of Seller.

7.2.5 Purchaser represents to Seller that neither it nor any of its constituents have engaged in any dealings or transactions, directly or indirectly, (a) in contravention of any U.S., international or other money laundering regulations or conventions, including, without limitation, the United States Bank Secrecy Act, the United States Money Laundering Control Act of 1986, the United States International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, Trading with the Enemy Act (50 U.S.C. § I et seq., as amended), or any foreign asset control regulations of the United States Treasury Department (31 DFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto, or (b) in contravention of the USA PATRIOT ACT or any Anti-Terrorism Order or on behalf of terrorists or terrorist organizations, including those persons or entities that are included on any relevant lists maintained by the United Nations, North Atlantic Treaty Organization, Organization of Economic Cooperation and Development, Financial Action Task Force, U.S. Office of Foreign Asset Control, U.S. Securities & Exchange Commission, U.S. Federal Bureau of Investigation, U.S. Central Intelligence Agency, U.S. Internal Revenue Service, or any country or organization, all as may be amended from time to time. Neither Purchaser nor any of its constituents (i) are or will be conducting any business or engaging in any transaction with any person appearing on the U.S. Treasury department's Office of Foreign Asset Control list of restrictions and prohibited persons, or (ii) are a person described in section 1 of the Anti-Terrorism Order, and to the best of Purchaser's knowledge, respectively neither Purchaser nor any of its affiliates have engaged in any dealings or transactions, or otherwise been associated with any such person. The provisions of this subsection shall survive the Closing or earlier termination of this Agreement.

7.3 Seller's representations and warranties inclusive, shall survive the Closing for a period expiring 180 days following the Closing (such survival period being herein referred to as the "**Survival Period**"). Any claim by Purchaser after Closing of a breach of the aforesaid representations or warranties made by Seller (a "**Breach**") shall be made by Purchaser prior to the expiration of the Survival Period, by Purchaser delivering to Seller written notice thereof (a "**Claim Notice**"). If Seller fails to cure such Breach within fifteen (15) days after Seller's receipt of a Claim Notice (provided however, if such Breach is not susceptible of cure within such fifteen (15) day period, Seller shall have such additional time as is necessary to cure the Breach if Seller has commenced a cure within such fifteen (15) day period and is diligently prosecuting such cure to completion, but in no event shall such additional time exceed sixty (60) days in the aggregate), Purchaser's sole remedy shall be to commence a legal proceeding in a court of competent jurisdiction against Seller alleging that Seller is in breach of such representation or warranty (a "**Proceeding**"), which Proceeding must be commenced, if at all, within sixty (60) days after the expiration of the Survival Period. Notwithstanding the foregoing, if prior to the Closing Purchaser becomes aware of one or more Breaches (whether in the Bring Down Certificate or otherwise) which, in the aggregate, would not result in an adverse economic impact ("**Damage**") to Purchaser or the Property greater than $500,000.00 (the "**Threshold**"), Purchaser shall not be entitled to refuse to close title by reason thereof. If prior to the Closing Purchaser becomes aware of one or more Breaches which cause Damage in excess of the Threshold, Purchaser may elect to either (i) waive such Breach or Breaches and close title to the Property, and receive a credit equal to the Threshold to be applied against the Purchase Price, or (ii) avail itself of the remedies set forth in Section 10.2. If Purchaser has elected to terminate this Agreement pursuant to clause (ii) immediately above, Purchaser shall be entitled to a Downpayment Return. After the Closing, Purchaser may deliver a Claim Notice only if Purchaser becomes aware of one or more Breaches which results in Damage which exceeds the Threshold. The aggregate liability of Seller arising by reason of or in connection with all alleged Breaches asserted after the date of Closing shall not in any event exceed $5,000,000. The terms and provisions of this Section 7.3 shall survive the Closing and/or termination of this Agreement.

8. Closing Deliveries.

8.1 At or prior to the Closing:

8.1.1 Seller shall execute, acknowledge and deliver to Purchaser in respect of the Property bargain and sale deeds without covenants against grantor's acts, in the form attached hereto as **Exhibit M** and made a part hereof (the "**Deeds**").

8.1.2 Seller shall execute, acknowledge and deliver to Purchaser an assignment of all of Seller's right, title and interest as landlord or otherwise under each of the Space Leases in respect of the Property, and of any security deposits required thereunder to be held by Seller on the date of the Closing (unless Seller elects to credit any of such security deposits to the Purchase Price), in the form attached hereto as **Exhibit N** and made a part hereof (the "**Assignment of Space Leases**"), and shall deliver to Purchaser (a) executed originals or copies (if Seller does not have originals in its possession), of each of such Space Leases.

8.1.3 Seller shall execute and deliver to Purchaser notices to the Space Lessees under the Space Leases advising them of the sale of the Property in the form attached hereto as **Exhibit O** and made a part hereof.

8.1.4 Seller shall execute, acknowledge and deliver to Purchaser an omnibus assignment (the "**Omnibus Assignment**"), in the form attached hereto as **Exhibit P** and made a part hereof conveying and transferring to Purchaser all right, title and interest of Seller, if any, in and to all Personal Property, Improvements, Permits, Warranties, Intangible Personal Property, Plans and Leasing Brokerage Agreements relating to the Property and Plans.

8.1.5 To the extent in Seller's possession or control, Seller shall deliver to Purchaser (a) all keys, access cards and security codes to all portions of the Property and the Building, (b) all presently effective warranties or guaranties from any contractors, subcontractors, suppliers, manufacturers, servicemen or materialmen in connection with any of the Personal Property or any construction, renovation, repairs or alterations of the Units, the Improvements or any tenant improvements (collectively, the "**Warranties**"), and (c) copies of all as-built plans and specifications for the Units (the "**Plans**").

8.1.6 Seller shall deliver to Purchaser a certificate, duly executed and acknowledged by Seller, in accordance with Section 1445 of the Code (a "**FIRPTA Certificate**").

8.1.7 Seller shall deliver to Purchaser limited liability company resolutions of Seller and consents of its members in customary form reasonably satisfactory to the Title Company, authorizing the transaction contemplated herein and the execution and delivery of the documents required to be executed and delivered hereunder.

8.1.8 Seller shall deliver to Purchaser a certificate of Seller, dated as of the Closing, certifying to the fulfillment of the conditions set forth in Section 9.2.2 hereof (the "**Bring Down Certificate**").

8.1.9 (a) Seller shall after the date hereof request and use commercially reasonable efforts to obtain from each Space Lessee an estoppel ("**Estoppel**") which shall be either (i) in the form attached hereto as **Exhibit Q** and made a part hereof or (ii) in the event any Space Lease provides for the form of Estoppel that the Space Lessee thereunder shall be required to deliver to the landlord under such Space Lease or set(s) forth the matters to be contained in such an Estoppel in connection with a sale and/or ground lease and/or mortgaging of all or any part of the Property, in such form or containing those matters required to be addressed by such Space Lessee. Seller shall deliver copies of each Estoppel to Purchaser for its review promptly following receipt thereof. Notwithstanding the foregoing, other than the Citibank Estoppel (as hereinafter defined), the obtaining and delivery of Estoppels shall not be a condition to Purchaser's obligation to close hereunder. On or before the second (2nd) Business Day prior to the Closing, as a condition to Purchaser's obligation to close, Purchaser shall have received an Estoppel from Citigroup, Inc. ("**Citibank**") in the form attached to the Space Lease between Unit A Seller and Citibank (the "**Citibank Estoppel**").

8.1.10 Seller shall execute, acknowledge and deliver a Combined Real Estate Transfer Tax Return and Credit Line Mortgage Certificate, Form TP-584 in respect of the Property (the "**State Transfer Tax Return**").

8.1.11 Seller shall execute, acknowledge and deliver a New York City Department of Finance Real Property Transfer Tax Return in respect of the Property (the "**City Transfer Tax Return**").

8.1.12 Seller shall request to be delivered to Purchaser, an estoppel certificate (a "**Board Estoppel**") for the benefit of and upon which Purchaser is entitled to rely, which shall be in the form attached hereto as Exhibit Y and made a part hereof, which the Condominium is obligated to deliver pursuant to Section 31 of the Declaration (the "**Required Form**").

8.1.13 Seller shall execute, acknowledge and deliver to Purchaser a counterpart of a Management Letter Agreement in the form attached hereto as **Exhibit X** (the "**Management Letter**").

8.1.14 Seller shall deliver to Purchaser a fully-executed letter from Citibank in the form attached hereto as **Exhibit Z**, which fully executed letter Purchaser acknowledges has been delivered prior to the date hereof.

8.1.15 Seller shall execute, acknowledge and deliver to the Title Company a title affidavit in the form attached hereto as **Exhibit R** and made a part hereof.

8.1.16 Seller shall cause to be delivered on the day immediately preceding the Closing Date a letter in the form of **Exhibit U** from Seller addressed to the Seller Designees and to the Secretary of the Board of Managers removing the Seller Designees from the Board of Managers and as officers of the Condominium and designating the persons selected by Purchaser to fill the vacancies resulting from the resignations of Seller's Designees (the **"Seller's Designation Letter")**.

8.2 At or prior to the Closing:

8.2.1 Purchaser shall pay to Seller the Purchase Price or the balance of the Purchase Price as required pursuant to Section 3.2 hereof.

8.2.2 Purchaser shall deliver to Seller copies of Purchaser's resolutions authorizing the transaction contemplated by this Agreement.

8.2.3 Purchaser shall execute, acknowledge and deliver to Seller a counterpart of the Assignment of Space Leases.

8.2.4 Intentionally Omitted.

8.2.5 Purchaser shall execute, acknowledge and deliver to Seller a counterpart of the State Transfer Tax Return.

8.2.6 Purchaser shall execute, acknowledge and deliver to Seller a counterpart of the City Transfer Tax Return.

8.2.7 Purchaser shall execute, acknowledge and deliver to Seller a counterpart of the Omnibus Assignment and Assumption.

8.2.8 Purchaser shall execute, acknowledge and deliver to Seller a counterpart of the Management Letter.

8.2.9 Prior to Closing, Purchaser shall deliver to Seller, to be held in escrow by Seller, letters of resignation, in the form attached hereto as **Exhibit V**, executed by each of the persons identified in Seller's Designation Letter, which letters of resignation Seller shall have the right to deliver to the Board of Managers if the Closing does not occur.

8.3 Seller and Purchaser, at the Closing, shall prepare, execute and deliver to each other, subject to all the terms and provisions of this Agreement a closing statement setting forth, inter alia, the closing adjustments and material monetary terms of the transaction contemplated hereby.

9. Conditions to Closing Obligations.

9.1 Notwithstanding anything to the contrary contained herein, the obligation of Seller to close title in accordance with this Agreement is expressly conditioned upon the fulfillment by and as of the time of the Closing of each of the conditions listed below, provided that Seller, at its election, evidenced by written notice delivered to Purchaser at or prior to the Closing, may waive any of such conditions:

9.1.1 Purchaser shall have executed and delivered to Seller all documents described in Section 8.2, shall have paid all required sums of money and shall have taken or caused to be taken all of the other material action required of Purchaser in this Agreement.

9.1.2 All representations and warranties made by Purchaser in this Agreement shall be true and correct in all material respects as of the date of the Closing.

9.1.3 The closing of the sale of the WP Property to WP Purchaser shall have occurred or shall occur simultaneously with the Closing.

9.1.4 The Board of Managers shall (a) not have either (i) objected in writing to the transfer of the Property to Purchaser, or (ii) instituted a proceeding seeking to enjoin the transfer of the Property to Purchaser, and (b) have executed and delivered a Board Estoppel or such other form reasonably satisfactory to Purchaser.

9.1.5 Mack-Cali Realty Corporation shall have paid to S.L. Green Management Corp. the "Closing Date Management Termination Fee" as defined in, and pursuant to, the terms of the Management Letter, if applicable.

9.2 Notwithstanding anything to the contrary contained herein, the obligation of Purchaser to close title and pay the Purchase Price in accordance with this Agreement is expressly conditioned upon the fulfillment by and as of the time of the Closing of each of the conditions listed below, provided that Purchaser, at its election, evidenced by written notice delivered to Seller at or prior to the Closing, may waive all or any of such conditions:

9.2.1 Seller shall have executed and delivered to Purchaser all of the documents, and shall have taken or caused to be taken all of the other material action, required of Seller under this Agreement.

9.2.2 All representations and warranties made by Seller in this Agreement shall be true and correct in all material respects when made and as of the Closing Date, except to the extent the facts and circumstances underlying such representations and warranties may have changed as of the Closing, in which event Seller shall represent in the Bring Down Certificate such changed facts and circumstances. Purchaser shall not be obligated to close if a representation or warranty is not true and correct in all material respects as of the Closing Date in a manner which would have a material adverse effect on the value or intended use of the Property unless caused by changed facts or circumstances which pursuant to the express terms of this Agreement are permitted to have occurred.

9.2.3 The Title Company shall be willing to insure title to the Property pursuant to an Owner's Policy of Title Insurance (ALTA 10-17-92) in the amount of the Purchase Price at regular rates and without additional premium, subject only to the Permitted Exceptions and as otherwise provided in this Agreement (the "**Title Policy**").

9.2.4 The Board of Managers shall (a) not have either (i) objected in writing to the transfer of the Property to Purchaser, or (ii) instituted a proceeding seeking to enjoin the transfer of the Property to Purchaser, and (b) have executed and delivered a Board Estoppel in the Required Form or such other form satisfactory to Purchaser.

9.2.5 Purchaser shall have received the Citibank Estoppel as required pursuant to Section 8.1.9.

9.2.6 The Closing shall be a simultaneous closing and transfer of both Units, it being understood and agreed that neither Purchaser nor Seller shall have any obligation under this Agreement to close on one Unit without simultaneously closing on the other.

10. Limitation on Liability of Parties.

10.1 In the event Purchaser shall default in the performance of Purchaser's obligations under this Agreement and the Closing does not occur as a result thereof (a "**Purchaser Default**"), Seller's sole and exclusive remedy shall be, and Seller shall be entitled, to retain the Downpayment and any interest earned thereon or the Downpayment LC actually delivered to Escrow Agent, and Seller shall be entitled to draw, or instruct Escrow Agent to draw, thereupon and Escrow Agent shall deliver the proceeds of the Downpayment LC to Seller, as and for full and complete liquidated and agreed damages for Purchaser's default, and Purchaser shall be released from any further liability to Seller hereunder, except that the provisions of Sections 12, 13, 23 and 29 hereof shall survive. SELLER AND PURCHASER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO ESTIMATE THE DAMAGES WHICH SELLER MAY SUFFER UPON A PURCHASER DEFAULT AND THAT THE DOWNPAYMENT AND ANY INTEREST EARNED THEREON OR THE DOWNPAYMENT LC REPRESENTS A REASONABLE ESTIMATE OF THE TOTAL NET DETRIMENT THAT SELLER WOULD SUFFER UPON A PURCHASER DEFAULT. SUCH LIQUIDATED AND AGREED DAMAGES ARE NOT INTENDED AS A FORFEITURE OR A PENALTY WITHIN THE MEANING OF APPLICABLE LAW.

10.2 In the event of a failure of a condition to Purchaser's obligations hereunder (occurring as a result of Seller's default hereunder) which Purchaser is unwilling to waive, or if Seller shall be unable (as opposed to unwilling) to convey title to Purchaser in accordance with this Agreement, Purchaser may, as its sole remedy in such event, elect to terminate this Agreement, and in such event Escrow Agent shall make a Downpayment Return, and upon the Downpayment Return, each party shall be released from any further liability to the other hereunder, except that the provisions of Sections 12, 13, 23 and 29 hereof shall survive.

10.3 In the event that Seller shall default in the performance of Seller's obligations under this Agreement and the Closing does not occur as a result thereof, Purchaser's sole and exclusive remedy shall be, and Purchaser shall be entitled, to either (a) seek specific performance of Seller's obligations hereunder, provided that any such action for specific performance must be commenced within thirty (30) days after such default or (b) instruct Escrow Agent to make a Downpayment Return. In no event whatsoever shall Seller be liable to Purchaser for any damages of any kind whatsoever.

11. Fire or Other Casualty; Condemnation.

11.1 Seller agrees (a) to maintain Seller's Casualty Insurance in full force and effect through the Closing, and (b) to give Purchaser reasonably prompt notice of any fire or other casualty occurring at the Property of which Seller obtains knowledge, between the date hereof and the date of the Closing, or of any actual or threatened condemnation of all or any part of the Property of which Seller obtains knowledge.

11.2 If prior to the Closing there shall occur damage to a Unit or the Building caused by fire or other casualty, the Closing shall be adjourned for up to twenty (20) days (but in no event, later than the Outside Closing Date), or for such longer period (not to exceed sixty the earlier of (x) (60) days and (y) the Outside Closing Date) as may be reasonably required in order to permit (a) Purchaser's architect or engineer to estimate the cost to repair or restore the Unit(s) to its condition immediately prior to such casualty (the "**Estimated Repair Cost**") and (b) allow Seller and Purchaser to receive from either (A) the Board of Managers, as to loss covered by the insurance carried by the Condominium, or (B) the insurers under Seller's Casualty Insurance (i) confirmation that such loss is an insured loss and (ii) an estimate of the amount of insurance proceeds payable in respect thereof (the items described in clauses (i) and (ii) being herein referred to as the "**Insurer's Loss Payable Statement**"). If, prior to the Closing, a fire or other casualty causes damage to a Unit and/or the Building and either (1) the Estimated Repair Cost is $13,650,000 or more, (2) one or more Space Lessees occupying more than 25% of the rentable square feet of a Unit is entitled to terminate its Space Lease (which right has not been waived) or (3) the holder of the existing mortgage debt encumbering the relevant Unit does not agree to make all insurance proceeds payable in respect of such casualty available for repair or restoration of the Property (either of clauses (1), (2) or (3) being herein referred to as a "**Material Casualty**") or there shall occur a taking by condemnation of any material portion of either Unit or the Building, then, and in either such event, Seller or Purchaser may elect to terminate this Agreement by written notice given to the other within (A) in the case of a fire or other casualty, ten (10) Business Days after receipt of the Insurer's Loss Payable Statement, and (B) in the case of a condemnation, ten (10) Business Days after Seller has given Purchaser the notice referred to in Section 11.1 hereof, in which event Escrow Agent shall promptly make a Downpayment Return, this Agreement shall thereupon be null and void and neither party hereto shall thereupon have any further obligation to the other, except that the provisions of Sections 12, 13, 23 and 29 hereof shall survive such termination.

11.3 If Seller and Purchaser do not elect to terminate this Agreement, then (a) the Closing shall take place as herein provided, (b) Seller shall at the Closing (i) assign to Purchaser, all of Seller's interest in and to any insurance proceeds or condemnation awards which may be payable to Seller on account of any such fire, casualty or condemnation, and (ii) credit to Purchaser on account of the Purchase Price (A) any such proceeds (as reflected in the Insurer's Loss Payable Statement) or awards theretofore paid, and (B) the amount of any applicable insurance deductible. The proceeds of rent interruption insurance, if any, shall on the Closing Date be appropriately apportioned between Purchaser and Seller.

11.4 If, prior to the Closing, there shall occur (a) damage to either Unit or the Building caused by fire or other casualty which is not a Material Casualty or (b) a taking by condemnation of any part of a Unit or the Building which is not material, then, and in either such event, Purchaser shall not have the right to terminate this Agreement by reason thereof, but Seller shall at Closing, assign to Purchaser all of Seller's interest in any insurance proceeds or condemnation awards payable to Seller on account of any such fire, casualty or condemnation, and shall credit to Purchaser on account of the Purchase Price (A) any such proceeds (as reflected in the Insurer's Loss Payable Statement) or awards theretofore paid to Seller, and (B) the amount of any applicable insurance deductible. The proceeds of rent interruption insurance, if any, shall on the Closing Date be appropriately apportioned between Purchaser and Seller.

11.5 Nothing contained in this Section 11 shall be construed to impose upon Seller any obligation to repair any damage or destruction caused by fire or other casualty or condemnation.

11.6 For purposes of this Section 11, (a) a taking of a material part of a Unit shall mean any taking which, in Purchaser's reasonable opinion, leaves remaining a balance of the Unit which may not be economically operated (after appropriate restoration) for the purpose for which the Unit was operated or intended to be operated prior to such taking, taking into account the Purchase Price to be paid by Purchaser and (b) taking of a material part of the Building shall mean any taking of an area which is more than fifteen percent (15%) of the aggregate rentable area of the Building.

11.7 In the event that Purchaser does not elect to terminate this Agreement in accordance with Section 11.2 above, or upon the occurrence of the events set forth in Section 11.4 (a) or (b) above, Seller and Purchaser shall jointly negotiate with insurers and any condemning authority regarding the amount of any insurance proceeds and/or any condemnation awards payable in respect thereof. Seller shall not contest, settle or compromise any claim without Purchaser's approval, which will not be unreasonably withheld.

11.8 The provisions of this Section 11 supercede any law applicable to the Property governing the effect of fire or other casualty in contracts for real property.

12. Brokerage.

Purchaser and Seller each represent and warrant to the other that it has not dealt with any broker, consultant, finder or like agent who might be entitled to a commission or compensation on account of introducing the parties hereto, the negotiation or execution of this Agreement or the closing of the transactions contemplated hereby. Purchaser and Seller each further agrees to indemnify and hold the other, its respective successors and assigns, harmless from and against all claims, losses, liabilities and expenses (including, without limitation, reasonable attorneys fees and disbursements) which may be asserted against, imposed upon or incurred by such party by reason of any claim made by any other broker, consultant, finder or like agent for commissions or other compensation for bringing about this transaction or claiming to have introduced the Property to Purchaser. The provisions of this Section 12 shall survive the Closing or other termination of this Agreement.

13. Closing Costs; Fees and Disbursements of Counsel, etc.

At the Closing, Seller shall pay (a) the New York State Real Estate Transfer Tax imposed pursuant to Article 31 and Section 1402 of the New York Tax Law (the "**State Transfer Tax**") and the New York City Real Property Transfer Tax imposed pursuant to Title 11, Chapter 21 of the New York City Administrative Code (the "**City Transfer Tax**"), upon or payable in connection with the transfer of title to the Property and the recordation of the Deeds, and (b) all sums required to be paid under the Condominium Documents or any rule or regulation relating thereto in connection with the sale and transfer of the Property to Purchaser. State Transfer Taxes and City Transfer Taxes payable hereunder shall, at Purchaser's election, be credited against the Purchase Price and paid by Purchaser on behalf of Seller. Seller and Purchaser shall each execute and/or swear to the returns or statements required in connection with the State Transfer Tax and the City Transfer Tax. All such tax payments to be paid by Seller shall be made by certified check payable directly to the order of the appropriate governmental authority or by Wire Transferred Funds to the Title Company. Purchaser shall pay (i) all charges for recording and/or filing the Deeds and (ii) all title charges and survey costs, including the premium for Purchaser's Title Policy. Each of the parties hereto shall bear and pay the fees and disbursements of its own counsel, accountants and other advisors in connection with the negotiation and preparation of this Agreement and the Closing. If the Closing occurs prior to the Outside Closing Date, Seller and Purchaser shall share equally (i.e., 50/50) all costs and expenses including, without limitation, assumption fees and Existing Lender's and Servicer's (as hereinafter defined) legal fees and disbursements, payable in connection with Purchaser's assumption of the Existing Indebtedness. The provisions of this Section 13 shall survive the Closing.

14. Notices.

Except as otherwise provided in this Agreement, all notices, demands, requests, consents, approvals or other communications (for the purposes of this Section collectively referred to as "**Notices**") required or permitted to be given hereunder or which are given with respect to this Agreement, in order to constitute effective notice to the other party, shall be in writing and shall be deemed to have been given when (a) personally delivered with signed delivery receipt obtained, (b) when transmitted by facsimile machine, if followed by giving of, pursuant to one of the other means set forth in this Section 14 before the end of the first business day thereafter, printed confirmation of successful transmission to the appropriate facsimile number of the address listed below as obtained by the sender from the sender's facsimile machine, (c) upon receipt, when sent by prepaid reputable overnight courier or (d) three (3) days after the date so mailed if sent postage prepaid by registered or certified mail, return receipt requested, in each case addressed as follows:

If to Seller, to:

SLG Broad Street 125 A LLC
c/o SL Green Realty Corp.
420 Lexington Avenue
New York, New York 10170
Attention: Andrew S. Levine, Esq.

Facsimile: (212) 216-1785

and

SLG Broad Street 125 C LLC
c/o SL Green Realty Corp.
420 Lexington Avenue
New York, New York 10170
Attention: Andrew S. Levine, Esq.

Facsimile: (212) 216-1785

with a copy to:

Greenberg Traurig, LLP
200 Park Avenue
New York, New York 10166
Attention: Robert J. Ivanhoe, Esq.
Facsimile: (212) 801-6400

If to Purchaser, to:

M-C 125 Broad A L.L.C.
c/o Mack-Cali Realty Corporation
343 Thornall Street
Edison, New Jersey 08837
Attention: Mitchell E. Hersh, President and
Chief Executive Officer
Roger W. Thomas, Esq.
Facsimile: (732) 205-9015

and

M-C 125 Broad C L.L.C.

c/o Mack-Cali Realty Corporation
343 Thornall Street
Edison, New Jersey 08837
Attention: Mitchell E. Hersh, President and
Chief Executive Officer
Roger W. Thomas, Esq.
Facsimile: (732) 205-9015

with copies to:

Seyfarth Shaw LLP
1270 Avenue of the Americas
Suite 2500
New York, New York 10020
Attention: John P. Napoli, Esq.
Stephen G. Epstein, Esq.
Facsimile: (212) 218-5527

If to Escrow Agent, to:

Lawyers Title Insurance Corporation
140 East 45th Street
22nd Floor
New York, NY 10017
Attn: Grace S. Onaga
Facsimile: (212) 986-3049

Notices shall be valid only if served in the manner provided above. Notices may be sent by the attorneys for the respective parties and each such Notice so served shall have the same force and effect as if sent by such party.

15. Survival; Governing Law.

Except as otherwise expressly set forth in this Agreement, the provisions of this Agreement shall not survive the Closing provided for herein. This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with, the laws of the State of New York in effect from time to time.

16. Counterparts; Captions.

This Agreement may be executed in counterparts, each of which shall be deemed an original. The captions are for convenience of reference only and shall not affect the construction to be given any of the provisions hereof.

17. Entire Agreement; No Third Party Beneficiaries.

This Agreement (including all exhibits annexed hereto), contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior understandings, if any, with respect thereto. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligations hereunder be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. The parties do not intend to confer any benefit hereunder on any person, firm or corporation other than the parties hereto. The provisions of this Section shall survive the Closing.

18. Waivers; Extensions.

No waiver of any breach of any agreement or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other agreement or provision herein contained. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts.

19. Further Assurances.

The parties each agree to do such other and further acts and things, and to execute and deliver such instruments and documents (not creating any obligations additional to those otherwise imposed by this Agreement) as either may reasonably request from time to time, whether at or after the Closing, in furtherance of the purposes of this Agreement. The provisions of this Section 19 shall survive the Closing. Each party shall cooperate with each other and do all acts as may be reasonably required or requested by the other with regard to the fulfillment of any condition precedent to such other party's obligations hereunder, including execution of any documents, applications or permits, but the representations and warranties of any party made in this Agreement shall not be affected or released by any investigation or inquiry made by any party or any of its agents or consultants or by any waiver or fulfillment of any such condition.

20. Assignment.

Except as set forth below, Purchaser shall neither assign its rights nor delegate its obligations hereunder without obtaining Seller's prior written consent, which consent shall not be unreasonably withheld. Notwithstanding the foregoing or anything herein to the contrary, Purchaser may assign its rights and obligations hereunder (and, otherwise, this Agreement) to: (a) an entity or entities with respect to which Purchaser or its affiliates control or is under common ownership, either directly or indirectly, to the extent of at least fifty-one percent (51%) ownership interest of such entity or entities (any such entity, a "Permitted Assignee" and, for the avoidance of doubt, any such Permitted Assignee shall also constitute and be referred to hereunder, including, without limitation, under Section 34, as the "Purchaser"); or (b) solely for the purpose of effectuating an Exchange for Purchaser, and subject to Section 34, one or more "exchange accommodation titleholders" ("EAT") (within the meaning of the Revenue Procedure (as defined in Section 34)) and/or one or more limited liability companies, partnerships, real estate investment trusts, or business trusts or other entities (any of which, a "Non-Corporate Entity"), directly or indirectly, owned by any one or more of the Purchaser, entities that would qualify as a Permitted Assignee of Purchaser and/or any one or more EATs; provided, however, and notwithstanding anything herein to the contrary, any such Non-Corporate Entity may then be further assigned, on or prior to the Closing, to any such one or more EATs (and/or to any other Non-Corporate Entity that is, directly or indirectly, wholly-owned by any such one or more EATs as necessary to enable the Purchaser to effectuate its Exchange. Whereas any such assignment referred to in clause (b) shall be subject to the provisions of Section 34 hereof, any such assignment to a Permitted Assignee referred to in clause (a) above shall be subject to (i) Purchaser assigning to the Permitted Assignee all of its right, title and interest in and to the Downpayment, and (ii) Purchaser delivering to Seller a copy of a fully executed assignment and assumption agreement prior to Closing. Notwithstanding any assignment of this Agreement in accordance with the terms of this Section 20, Purchaser named herein shall remain jointly and severally liable with the assignee (although not any EAT or Purchaser Intermediary (defined in Section 34 hereof)) for the payment and performance of all of Purchaser's obligations hereunder.

21. Pronouns; Joint and Several Liability.

All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the parties may require. The liability of Seller hereunder shall be joint and several.

22. Successors and Assigns.

This Agreement shall bind and inure to the benefit of Seller, Purchaser and their respective permitted successors and assigns.

23. Escrow.

23.1 Escrow Agent shall hold the Downpayment, together with all interest earned thereon, in its interest bearing escrow account (provided that Seller and Purchaser shall each provide Escrow Agent with a W-9 form and an Order to Invest), or the Downpayment LC, as the case may be in accordance with the following:

23.1.1 Escrow Agent shall hold the Downpayment, together with all interest earned thereon, in Escrow Agent's escrow account at JP Morgan Chase, N.A. and shall cause the Downpayment to earn interest at JP Morgan Chase, N.A.'s then prevailing insured money market rates on trust account deposits of similar size. Escrow Agent shall have no liability for any fluctuations in the interest rate paid by JP Morgan Chase on the Downpayment, and is not a guarantor thereof.

23.1.2 If Escrow Agent receives a written notice signed by both Seller and Purchaser stating that the Closing has occurred and that Seller is entitled to receive the Downpayment or Purchaser is entitled to receive the Downpayment LC, as the case may be, Escrow Agent shall deliver the Downpayment, together with the interest earned thereon to Seller or the Downpayment LC to Purchaser, as the case may be. If Escrow Agent receives a written notice signed by both Seller and Purchaser that this Agreement has been terminated or canceled, Escrow Agent shall deliver the Downpayment, together with the interest thereon or the Downpayment LC as directed therein.

23.1.3 If Escrow Agent receives a written request signed by Purchaser or Seller (the "**Noticing Party**") stating that this Agreement has been canceled or terminated and that the Noticing Party is entitled to the Downpayment or the Downpayment LC, as the case may be, or that the other party hereto (the "**Non-Noticing Party**") has defaulted in the performance of its obligations hereunder, Escrow Agent shall mail (by certified mail, return receipt requested) a copy of such request to the Non-Noticing Party. The Non-Noticing Party shall have the right to object to such request for the Downpayment or the Downpayment LC, as the case may be, by written notice of objection delivered to and received by Escrow Agent ten (10) Business Days after the date of Escrow Agent's mailing of such copy to the Non-Noticing Party, but not thereafter. If Escrow Agent shall not have so received a written notice of objection from the Non-Noticing Party, Escrow Agent shall deliver the Downpayment, together with the interest earned thereon or the Downpayment LC, as the case may be, to the Noticing Party. If Escrow Agent shall have received a written notice of objection within the time herein prescribed, Escrow Agent shall refuse to comply with any requests or demands on it and shall continue to hold the Downpayment, together with any interest earned thereon or the Downpayment LC, as the case may be, until Escrow Agent receives either (a) a written notice signed by both Seller and Purchaser stating who is entitled to the Downpayment (and interest) or the Downpayment LC, as the case may be, or (b) a final order of a court of competent jurisdiction directing disbursement of the Downpayment (and interest) or the Downpayment LC, as the case may be, in a specific manner, in either of which events Escrow Agent shall then disburse the Downpayment, together with the interest earned thereon or deliver the Downpayment LC, as the case may be, in accordance with such notice or order. Escrow Agent shall not be or become liable in any way or to any person for its refusal to comply with any such requests or demands until and unless it has received a direction of the nature described in clause (a) or (b) above.

23.2 Any notice to Escrow Agent shall be sufficient only if received by Escrow Agent within the applicable time period set forth herein. All mailings and notices from Escrow Agent to Seller and/or Purchaser, or from Seller and/or Purchaser to Escrow Agent, provided for in this Section 23 shall be addressed to the party to receive such notice at its notice address set forth in Section 14 above (with copies to be similarly sent to the additional persons therein indicated), but the provisions of Section 14 relating to the manner of giving notices and the effective dates thereof shall have no application to the provisions of this Section 23.

23.3 Notwithstanding the foregoing, if Escrow Agent shall have received a written notice of objection as provided for in Section 23.1.3 above within the time therein prescribed, or shall have received at any time before actual disbursement of the Downpayment or delivery of the Downpayment LC, as applicable, a written notice signed by either Seller or Purchaser disputing entitlement to the Downpayment or the Downpayment LC, as applicable or shall otherwise believe in good faith at any time that a disagreement or dispute has arisen between the parties hereto over entitlement to the Downpayment or the Downpayment LC, as applicable (whether or not litigation has been instituted), Escrow Agent shall have the right, upon written notice to both Seller and Purchaser, (a) to deposit the Downpayment, together with the interest earned thereon, or the Downpayment LC, as applicable, with the Clerk of the Court in which any litigation is pending and/or (b) to take such reasonable affirmative steps as it may, at its option, elect in order to terminate its duties as Escrow Agent, including, without limitation, the depositing of the Downpayment, together with the interest earned thereon, or the Downpayment LC, as applicable, with a court of competent jurisdiction and the commencement of an action for interpleader, the costs thereof to be borne by whichever of Seller or Purchaser is the losing party, and thereupon Escrow Agent shall be released of and from all liability hereunder except for any previous gross negligence or willful misconduct.

23.4 Escrow Agent is acting hereunder without charge as an accommodation to Purchaser and Seller, it being understood and agreed that Escrow Agent shall not be liable for any error in judgment or any act done or omitted by it in good faith or pursuant to court order, or for any mistake of fact or law. Escrow Agent shall not incur any liability in acting upon any document or instrument believed thereby to be genuine. Escrow Agent is hereby released and exculpated from all liability hereunder, except only for willful misconduct or gross negligence. Escrow Agent may assume that any person purporting to give it any notice on behalf of any party has been authorized to do so. Escrow Agent shall not be liable for, and Purchaser and Seller hereby jointly and severally agree to indemnify Escrow Agent against, any loss, liability or expense, including reasonable attorney’s fees (paid to retained attorneys) arising out of any dispute under this Agreement, including the cost and expense of defending itself against any claim arising hereunder.

24. Tax Proceedings.

If any proceedings for the reduction of the assessed valuation of the Property ("**Tax Proceedings**") relating to any tax years ending prior to the tax year in which the Closing occurs are pending at the time of the Closing, Seller reserves and shall have the right to continue to prosecute and/or settle the same in Seller's sole discretion at no cost or expense to Purchaser, and any refunds or credits due for the periods prior to Purchaser's ownership of the Property shall remain the sole property of Seller (subject to the rights, if any, of Space Lessees thereto). From and after the date hereof until the Closing, Seller is hereby authorized to commence any new Tax Proceedings and/or continue any Tax Proceedings, and in Seller's sole discretion at its sole cost and expense to litigate or settle same; provided, however, that Purchaser shall be entitled to that portion of any refund relating to the period occurring after the Closing after payment to Seller of all costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred by Seller in obtaining such refund. Purchaser shall deliver to Seller, reasonably promptly after request therefor, receipted tax bills and canceled checks used in payment of such taxes and shall execute any and all consents or other documents, and do any act or thing necessary for the collection of such refund by Seller. The provisions of this Section 24 shall survive the Closing.

25. Intentionally Omitted.

26. Maintenance of the Property.

Between the date of this Agreement and the Closing, Seller shall operate the Property in the same manner as before the making of this Agreement. Seller shall not remove or transfer to any third party any Personal Property after the date hereof, except for repair or replacement thereof or in the ordinary course of business. Seller shall not commence any new capital projects at the Property.

27. Leasing and Contracts.

Seller shall not, after the date of this Agreement, enter into any new Space Lease or Service Contract affecting the Property, or any amendment, expansion, extension or renewal thereof (except as expressly authorized by a Space Lease), or permit any Space Lessee to enter into any sublease, assignment or agreement pertaining to the Property (except as expressly authorized by such Space Lessee's Space Lease), or waive, compromise or settle any rights of Seller under any contract or Space Lease, or return any Security Deposit (except as expressly authorized by a Space Lessee's Space Lease) (collectively a "**Material Transaction**"), without in each case obtaining Purchaser's prior written consent thereto which consent may be withheld in Purchaser's sole discretion. Seller shall not propose any new Service Contract which is not terminable without cost or penalty upon not more than thirty (30) days prior notice. When seeking Purchaser's consent to a Material Transaction that is a new Space Lease or a material modification of an existing Space Lease, Seller's notice shall provide notice of the identity of the proposed tenant, a term sheet or letter of intent containing material business terms (including, without limitation, the rent, expense base, concessions, tenant improvement allowances, brokerage commissions, and expansion and extension options) (the "**Material Terms**") and such credit and background information, if any, as Seller then possesses with respect to such proposed Space Lessee. Seller shall use commercially reasonable efforts to provide Purchaser with regular reports and information regarding the status of approved Material Transactions being negotiated. Purchaser shall be responsible for Tenant Improvement Costs and leasing commissions and all other leasing costs payable in connection with any new Space Lease approved or deemed approved by Purchaser pursuant to this Section.

28. Condominium.

(a) Seller will perform and comply with all material terms, covenants, conditions and provisions of the Condominium Documents, the rules and regulations of the Condominium and any other documents creating or governing the Condominium applicable to the Units. Seller will comply with all of the requirements set forth in Section 18(d) of the Declaration with respect to the proposed sale of the Units to Purchaser. Seller will not take, permit, suffer or allow any action to modify or amend the Condominium Documents without Purchaser's consent, which consent may be withheld in Purchaser's sole discretion.

(b) If required by the Board of Managers, Purchaser or an Affiliate of Purchaser acceptable to the Board of Managers, shall guaranty the obligations of Designee as an Owner under the Condominium Documents.

29. Confidentiality; Public Disclosure.

Prior to Closing and except as set forth below, Seller and Purchaser covenant and agree not to communicate the terms or any aspect of this Agreement and the transactions contemplated hereby to any person or entity and to hold, in the strictest confidence, the content of any and all information in respect of the Property which is supplied by Seller to Purchaser or by Purchaser to Seller, without the express written consent of the other party; provided, however, that either party may, without consent, disclose the terms hereof and the transactions contemplated hereby (a) to its respective advisors, consultants, officers, directors, principals, investors, attorneys, accountants and lenders (the "**Transaction Parties**") without the express written consent of the other party, so long as any such Transaction Parties to whom disclosure is made shall also agree to keep all such information confidential in accordance with the terms hereof and (b) if disclosure is required by law or by regulatory or judicial process or pursuant to any regulations promulgated by either the Securities and Exchange Commission, the New York Stock Exchange or other public exchange for the sale and purchase of securities, provided that in such event Seller or Purchaser, as applicable, shall notify the other party in writing of such required disclosure, shall exercise all commercially reasonable efforts to preserve the confidentiality of the confidential documents or information, as the case may be, including, without limitation, reasonably cooperating with the other party to obtain an appropriate order or other reliable assurance that confidential treatment will be accorded such confidential documents or information, as the case may be, by such tribunal and shall disclose only that portion of the confidential documents or information which it is legally required to disclose. The foregoing confidentiality obligations shall not apply to the extent that any such information is a matter of public record or is provided in other sources readily available to the real estate industry other than as a result of disclosure by Seller or Purchaser, as applicable. Prior to Closing, any release to the public of information with respect to the transactions contemplated under this Agreement shall be in form approved by both Purchaser and Seller, and their respective counsel. This Section shall terminate at Closing.

30. Governing Law; Jurisdiction, Waivers.

30.1 This Agreement has been negotiated, executed and delivered and shall be governed by and construed in accordance with the laws of the State of New York from time to time in effect, without giving effect to the State of New York's principles of conflicts of law, except that it is the intent and purpose of Seller and Purchaser that the provisions of Section 5-1401 of the General Obligations Law of the State of New York shall apply to this Agreement. EACH PARTY HERETO AGREES THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE TRIED AND LITIGATED IN STATE OR FEDERAL COURTS LOCATED IN THE STATE OF NEW YORK, UNLESS SUCH ACTIONS OR PROCEEDINGS ARE REQUIRED TO BE BROUGHT IN ANOTHER COURT TO OBTAIN SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY. TO THE EXTENT PERMITTED BY LAW, EACH PARTY HERETO IRREVOCABLY WAIVES ANY RIGHT ANY PARTY HERETO MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS, TO ASSERT THAT ANY PARTY HERETO IS NOT SUBJECT TO THE JURISDICTION OF THE AFORESAID COURTS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 30. SERVICE OF PROCESS, SUFFICIENT FOR PERSONAL JURISDICTION IN ANY ACTION AGAINST ANY PARTY HERETO, MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ANY SUCH PARTY'S ADDRESS INDICATED IN SECTION 14 HEREOF.

30.2 EACH OF SELLER AND PURCHASER HEREBY EXPRESSLY AND UNCONDITIONALLY WAIVES, IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING BROUGHT BY THE OTHER PARTY HERETO UNDER THIS AGREEMENT OR IN CONNECTION WITH ANY TRANSACTION CONTEMPLATED HEREBY, ANY AND EVERY RIGHT EACH OF SELLER AND PURCHASER MAY HAVE TO (A) INJUNCTIVE RELIEF (EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT TO THE CONTRARY), (B) A TRIAL BY JURY, (C) INTERPOSE ANY COUNTERCLAIM THEREIN (EXCEPT FOR ANY COMPULSORY COUNTERCLAIM WHICH, IF NOT ASSERTED IN SUCH SUIT, ACTION OR PROCEEDING, WOULD BE WAIVED), AND (D) HAVE THE SAME CONSOLIDATED WITH ANY OTHER OR SEPARATE SUIT, ACTION OR PROCEEDING.

31. Independent Counsel. Seller and Purchaser each acknowledge that: (a) they have been represented by independent counsel in connection with this Agreement; (b) they have executed this Agreement with the advice of such counsel; and (c) this Agreement is the result of negotiations between the parties hereto and the advice and assistance of their respective counsel. The fact that this Agreement was prepared by Seller's counsel as a matter of convenience shall have no import or significance to the construction of this Agreement. Any uncertainty or ambiguity in this Agreement shall not be construed against Seller because Seller's counsel prepared this Agreement in its final form.

32. Non-Liability

. Notwithstanding anything to the contrary contained in this Agreement, none of the Seller Related Parties shall have any personal obligation or liability hereunder, and Purchaser shall not seek to assert any claim or enforce any of its rights hereunder against any of the Seller Related Parties. Notwithstanding anything to the contrary contained in this Agreement, none of the Purchaser Related Parties shall have any personal obligation or liability hereunder, and Seller shall not seek to assert any claim or enforce any of its rights hereunder against any of the Purchaser Related Parties.

33. Intentionally Omitted.

34. Like-kind Exchange. Purchaser and Seller each understand that the other party (or any of their affiliates) may consummate the purchase or sale of the Property as part of a so-called like-kind or tax-deferred exchange (the "Exchange") pursuant to Section 1031 of the Code and the Treasury Regulations thereunder, as well as pursuant to Revenue Procedure 2000-37, 2000-2 C.B. 38 (the "**Revenue Procedure**"), and that, notwithstanding anything hereunder to the contrary, each of Purchaser and Seller agrees to cooperate with the exchanging party in connection therewith (including, but not limited to, executing such documents, and acknowledging receipt thereof in writing, as the other party may reasonably request), provided that: (i) Seller shall effect the Exchange through an assignment of its rights, but not its obligations, under this Agreement to a "qualified intermediary" of Seller (within the meaning of, and as provided in, Treasury Regulations Section 1.1031(k)-1(g)(4)) ("**Seller Intermediary**") whereby the Seller Intermediary shall not be required to acquire or hold title to any real property for purposes of consummating the Exchange; (ii) Purchaser may effect its Exchange through either: (a) an assignment of its rights, but not its obligations, under this Agreement to a "qualified intermediary" (within the meaning of Treasury Regulations Section 1.1031(k)-1(g)(4)(iii) ("**Purchaser Intermediary**"), whereby the Purchaser Intermediary shall not be required to acquire or hold title to any real property for purposes of consummating the Exchange; and/or (b) any assignment referred to in clause (b) of Section 20; (iii) the exchanging party shall pay any additional costs that would not otherwise have been incurred by either party had the exchanging party not consummated the sale through the Exchange and (iv) the exchanging party shall, and hereby does, indemnify and hold the other party harmless from any loss, cost, damage, liability or expense which may arise or which the other party may suffer in connection with, an Exchange. Purchaser and Seller shall not by this Agreement or acquiescence to the Exchange by the other of them (1) have its rights under this Agreement affected or diminished in any manner or (2) be responsible for compliance with or be deemed to have warranted to the exchanging that the Exchange in fact complies with Section 1031 of the Code. The indemnification provisions set forth in this Section 34 shall survive the Closing.

35. Assumption of Existing Loan.

35.1 In the event the Closing occurs prior to the Outside Closing Date then, at Closing, Purchaser shall assume all indebtedness consisting of the outstanding principal balance of the Existing Indebtedness as of the Closing Date and all of Sellers' obligations under the Existing Loan Documents which arise from and after the Closing Date. If neither Purchaser nor Seller adjourns the scheduled Closing Date to the Outside Closing Date, then Purchaser shall seek to obtain the written consent of Existing Lender to the transactions contemplated by this Agreement in a timely manner including, without limitation, as provided in this Section 35, which written consent shall contain a release by Existing Lender of Seller and of any guarantor from any and all liabilities and obligations under the Loan Documents from and after the Closing Date, in form and substance reasonably satisfactory to Seller ("**Lender's Consent**"). Purchaser shall provide all other documentation required by Existing Lender as may be necessary to permit such assignment and assumption. Seller agrees to cooperate, at no cost to Seller, in good faith, with Purchaser in connection with Purchaser's efforts to obtain Lender's Consent. In the event that Existing Lender or the servicer acting on behalf of Existing Lender in connection with the Existing Financing ("**Servicer**") requires payment of a deposit or fee in connection with the submission of the request for Lender's Consent and/or the due diligence to obtain Lender's Consent, Purchaser and Seller shall each pay one-half of any such deposit or fee. Seller and Purchaser shall also share equally (i.e., 50/50) any assumption fees and charges of Existing Lender in connection with the assumption of the Existing Indebtedness as set forth in the Existing Loan Documents, provided however that each of Seller and Purchaser shall pay the legal fees and disbursements of their respective legal counsel. In the event that Purchaser is not approved by Existing Lender on or before May 11, 2007 (the "**Lender Consent Period**"), then Seller, shall have the right, upon written notice to Purchaser, to either (a) extend the Lender Consent Period for such additional time as Seller determines in its sole discretion, but in no event shall such additional period of time go beyond the date that is five (5) business days prior to the Outside Closing Date or (b) elect to close the sale hereunder on the Outside Closing Date. Purchaser shall send to Seller copies of all correspondence and enclosures to or from Lender (i) within two (2) business days of Purchaser's receipt of same from Existing Lender and (ii) contemporaneously with Purchaser's delivery of same to Existing Lender. Nothing contained herein shall create, or be deemed to create, a mortgage or other contingency for the benefit of Purchaser.

35.2 In the event the Closing occurs on the Outside Closing Date then, at Closing, Seller agrees that if Purchaser shall so elect by written notice Seller shall, at no cost to Seller, use reasonable efforts to have the indebtedness consisting of the outstanding principal balance of the Existing Indebtedness assigned to a mortgage lender selected by Purchaser to provide Purchaser with financing for the purchase of the Units. Purchaser shall provide all other documentation required by Existing Lender as may be necessary to permit such assignment. Seller agrees to cooperate, at no cost to Seller, in good faith, with Purchaser in connection with requesting and obtaining such assignment. Nothing contained herein shall create, or be deemed to create, a mortgage or other contingency for the benefit of Purchaser.

36. Correction and Confirmatory Amendment. Seller agrees to cooperate with Purchaser to cause to be executed and delivered a Correction and Confirmatory Amendment (the "**Correction/Confirmatory Amendment**") to the Declaration. The Correction/Confirmatory Amendment shall be prepared by or on behalf of Purchaser and approved by Seller, and shall, to the extent required, provide for (a) the consent by the applicable unit owners and such other parties as may be required by the Declaration to the recording of the Third, Fourth and Fifth Amendments to the Declaration, which established Units A and C as well as all portions of Commercial Units B, F and G in the Condominium (all such Commercial Units are collectively, the "**Affected Units**"), as currently configured; and (b) the ratification and confirmation by the appropriate parties as required by the Declaration, that each such Affected Unit, together with such Affected Unit's proportionate, undivided interest in the common elements of the Condominium, are validly established and existing. Seller and Purchaser acknowledge and agree that neither the execution, delivery or recordation of the Correction/Confirmatory Amendment shall be a condition to Purchaser's obligation to close hereunder and that Seller shall have no liability whatsoever if the Correction/Confirmatory Amendment is not executed, delivered or recorded prior to or after Closing. This Section 36 shall survive the Closing.

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

SELLER:

SLG Broad Street 125 A LLC,
a Delaware limited liability company

By:/s/ Andrew Levine
Andrew Levine

SLG Broad Street 125 C LLC,
a Delaware limited liability company

By:/s/ Andrew Levine
Andrew Levine

PURCHASER:

M-C 125 BROAD A L.L.C., a Delaware limited liability company

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

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

By: /s/ Mitchell E. Hersh
Mitchell E. Hersh

[SIGNATURE PAGE CONTINUED ON FOLLOWING PAGE]

M-C 125 BROAD C L.L.C., a Delaware limited liability company

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

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

By: /s/ Mitchell E. Hersh
Mitchell E. Hersh

ESCROW AGENT:

SOLELY FOR THE PURPOSES OF
CONFIRMING THE PROVISIONS OF

ARTICLE 23:

LAWYERS TITLE INSURANCE CORPORATION

By: /s/ Grace S. Onaga
Name: Grace S. Onaga
Title: Major Transaction Counsel

Exhibit 10.122

AGREEMENT OF PURCHASE AND SALE

among

500 WEST PUTNAM L.L.C.,

, Seller

and

SLG 500 WEST PUTNAM LLC,

Purchaser

Premises:

500 West Putnam Avenue
Greenwich, Connecticut

As of March 15, 2007

TABLE OF CONTENTS

List of Exhibits

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE ("**Agreement**"), made as of March 15, 2007, by and among 500 WEST PUTNAM, L.L.C., a Connecticut limited liability company ("**Seller**"), having an office c/o Mack-Cali Realty Corp., 343 Thornall Street, Edison, New Jersey 08837, and SLG 500 WEST PUTNAM LLC, a Delaware limited liability company, having an office c/o SL Green Realty Corp., 420 Lexington Avenue, New York, New York 10170 ("**Purchaser**").

W I T N E S S E T H:

A. Seller owns the Property (as hereinafter defined).

B. Subject to the terms and conditions set forth below, Purchaser desires to acquire the Property (as hereinafter defined) from Seller, and Seller desires to sell the Property to Purchaser.

C. Simultaneously herewith SLG Broad Street 125 A LLC and SLG Broad Street 125 C LLC, each an affiliate of Purchaser (collectively, the "**125 Seller**") and M-C 125 Broad A L.L.C. and M-C 125 Broad C L.L.C., each an affiliate of Seller (collectively, the "**125 Purchaser**") are executing and delivering that certain Agreement of Purchase and Sale (the "**125 Purchase Agreement**"), pursuant to which 125 Seller shall sell to 125 Purchaser and 125 Purchaser shall purchase from 125 Seller the two Commercial Condominium Units designated as Unit A and Unit C in the office building located at 125 Broad Street, New York, New York (the "**125 Property**"), subject to the terms and conditions contained in the 125 Purchase Agreement.

1. Agreement to Sell and Purchase; Description of Property.

1.1 Upon the terms and conditions hereinafter contained, (a) Seller agrees to sell and convey to Purchaser, and Purchaser agrees to purchase from Seller, the Property (as hereinafter defined). As used herein, (i) "**Land**" shall mean the land located at 500 West Putnam Avenue, Greenwich, Connecticut, as more particularly described in **Exhibit A** attached hereto and made a part hereof.

1.2 The Land shall be sold and conveyed together with (a) all of Seller's rights, privileges and easements, if any, appurtenant to the Land, including, without limitation, development rights and air rights relating to the Land and any other easements, rights-of-ways or appurtenances used in connection with the beneficial use and enjoyment of the Land; (b) all Seller's right, title and interest (i) in and to the improvements, machinery and fixtures located within, attached or appurtenant to, or at or upon all or any portion of the Land as of the date hereof or used in connection with the operation of, or used or adapted for use in connection with the enjoyment or occupation of the Land, excluding however, any fixtures owned by public utilities or Space Lessees (as hereinafter defined) under the Space Leases (as hereinafter defined), together with the Plans (as hereinafter defined) (collectively, the "**Improvements**"), and (ii) in and to all tangible personal property located on or used solely in connection with the ownership, operation or maintenance of the Property and the Improvements (collectively, the "**Personal Property**") and (iii) as landlord under all Space Leases; (c) all Warranties (as hereinafter defined) used in connection with all or any portion of the Improvements; (d) all intangible personal property now or hereafter owned by Seller and used in the ownership, use, operation, occupancy, maintenance or development of the property and interests described in clauses (a) through (c) above, including, without limitation, all future tax benefits (excluding income tax benefits) and benefits of incentive programs now or hereafter allowed by governmental authorities in connection with the ownership, operation and/or renovation of the Improvements ("**Intangible Personal Property**"); and (f) to the extent transferable, all governmental and public certificates, permits, licenses and approvals relating to the development, construction, operation, use, maintenance or occupancy of the Improvements (individually and collectively "**Permits**").

All of the above enumerated property, rights and interests to be sold to Purchaser pursuant to this Agreement (including, without limitation, the Land and Improvements) are hereinafter sometimes referred to, collectively, as the "**Property**". Purchaser and Seller acknowledge that all of the Property is to be sold and purchased in a single transaction.

2. Exceptions to Title; Title Matters.

2.1 Seller shall at the Closing (as hereinafter defined) convey the Property subject only to the following matters affecting title thereto (collectively the "**Permitted Exceptions**"):

2.1.1 All presently existing and future liens for unpaid real estate taxes, vault charges and water and sewer charges not due and payable as of the date of the Closing, subject to adjustment as provided below.

2.1.2 All zoning, building, environmental and other laws, ordinances, codes, restrictions and regulations of all governmental authorities having jurisdiction with respect to the Property in effect on the Closing Date, including, without limitation, landmark designations and all zoning variances and special exceptions, if any (collectively, "**Laws and Regulations**").

2.1.3 Intentionally omitted.

2.1.4 State of facts shown on map/plan entitled "Survey of Property of Pasquale M. Cecio Jr. Trustee" prepared by Edward J. Crothers dated September 19, 1990, and on map entitled "General Location Survey Depicting Proposed Generator 500 West Putnam Avenue Greenwich, Connecticut" prepared by The Greenwich Hospital by Redniss & Mead dated June 13, 2001 (collectively, the "**Survey**") plus such additional facts which would be disclosed by a survey dated the date hereof, provided such additional facts do not materially adversely affect the use thereof for office purposes (collectively, "**Facts**").

2.1.5 Rights of tenants of the Property pursuant to Space Leases which either are (a) in effect on the date hereof, or (b) entered into after the date hereof in accordance with the express provisions of this Agreement (collectively, "**Space Lessees**") and all persons claiming by, through or under such Space Lessees.

2.1.6 All covenants, restrictions and rights and all easements and agreements for the erection and/or maintenance of water, gas, steam, electric, telephone, sewer or other utility pipelines, poles, wires, conduits or other like facilities, and appurtenances thereto, over, across and under the Property provided same do not adversely affect the use of the Property for office purposes (collectively, "**Rights**").

2.1.7 Except as shown on the Survey, possible encroachments and/or projections of stoop areas, roof cornices, window trims, vent pipes, cellar doors, steps, columns and column bases, flue pipes, signs, piers, lintels, window sills, fire escapes, satellite dishes, protective netting, sidewalk sheds, ledges, fences, coping walls (including retaining walls and yard walls), air conditioners and the like, if any, projecting from the Building over any street or highway, the Property or over any adjoining property and encroachments of similar elements projecting from adjoining property over the Property provided such matters do not adversely affect the use of the Property for office purposes.

2.1.8 The matters described in **Exhibit B** attached hereto and made a part hereof.

2.1.9 Those objections to title which are the responsibility to cure, correct or remove of any Space Lessee under its Space Lease.

2.1.10 All service, maintenance, telecommunications and other contracts (excluding Space Leases) in connection with the Property, as set forth on **Exhibit T** and attached hereto and made a part hereof, and all renewals, replacements and extensions of same or additional contracts that may hereafter be entered into in accordance with this Agreement (collectively, "**Service Contracts**").

2.1.11 All violations of building, fire, sanitary, environmental, housing and similar Laws and Regulations with respect to the Property (collectively, "**Violations**") existing as of the date hereof and any Violation arising after the date hereof, but prior to Closing, which remains uncured as of the Closing Date (" **Contract Period Violations**"), provided, that the fines associated with curing Contract Period Violations shall not exceed $61,500 in the aggregate (the "**Violations Cap**").

2.1.12 Variations between tax lot lines and lines of record title.

2.1.13 Standard exclusions from coverage contained in the form of Owner's Policy of Title Insurance (ALTA 10-17-92) or "marked-up" title commitment with respect to such policy employed by the Title Company (as hereinafter defined).

2.1.14 Any financing statements, chattel mortgages, encumbrances or mechanics' or other liens evidenced by any financing statements filed on a day more than five (5) years prior to the Closing.

2.1.15 Any lien or encumbrance arising from the acts of Purchaser or its affiliates.

2.1.16 Intentionally omitted.

2.2 (a) Title to the Property has been examined by Lawyers Title Insurance Corporation (the "**Title Company**"), and Purchaser acknowledges receipt of Lawyers Title Insurance Corporation Title Reference No. NYN07-000534-L (Order No. STO24558CW), dated February 26, 2007 issued by Lawyers Title Insurance Corporation (the "**Existing Title Report**") on or prior to the date hereof. At Closing, Purchaser shall seek to have title to the Property insured by the Title Company at Purchaser's sole cost and expense (except for such affirmative coverages for which Purchaser is entitled pursuant to this Agreement at no additional cost or special premium). Purchaser agrees that the Existing Title Report contains no exceptions to title to the Property which are not covered by the exceptions to title set forth in Section 2.1 hereof and "subject to" which Purchaser is not required to accept title, and irrevocably accepts the Existing Title Report and unconditionally waives any right to object to any matters set forth therein except as expressly set forth above. Purchaser shall instruct the Title Company to forward a copy of the Title Report and any updates thereto to Seller's counsel simultaneously with delivery thereof to Purchaser.

(b) If, after the date hereof, Purchaser learns, through the Title Report, continuation reports or other written updates thereto, of any title defect(s) which Purchaser claims are not covered by Section 2.1 hereof and "subject to" which Purchaser believes it is not required to accept title, Purchaser shall give written notice thereof to Seller promptly after the date Purchaser receives such continuation report or other written update and Purchaser shall be deemed to have unconditionally waived any such matters as to which it fails to give such written notice to Seller within five (5) Business Days after the date Purchaser receives such continuation report or other written update. Purchaser acknowledges and agrees that TIME IS OF THE ESSENCE with respect to all time periods set forth in this Section 2.2.

2.3 If, on the Closing Date, Seller is unable to convey to Purchaser title to the Property subject to and in accordance with the provisions of this Agreement, Seller shall be entitled, upon notice delivered to Purchaser on or prior to the Closing Date (as hereinafter defined), to reasonable adjournments of the Closing one or more times for a period not to exceed sixty (60) days in the aggregate, but in no event beyond the Outside Closing Date to enable Seller to convey such title to the Property. If, on or before the date then scheduled for Closing, Seller does not so elect to adjourn the Closing, or if at the adjourned date Seller is unable to convey title subject to and in accordance with the provisions of this Agreement, Purchaser may (a) terminate this Agreement by written notice to Seller and Escrow Agent (as hereinafter defined) delivered on the date scheduled for Closing, in which event Escrow Agent shall repay to Purchaser the Downpayment (as hereinafter defined), together with any interest earned thereon or return to Purchaser the Downpayment LC (a "**Downpayment Return**"), or (b) elect to close title to the Property upon the terms set forth in Section 2.4 by notice given to Seller, in which event the Closing shall occur no later than three (3) Business Days following such election, but in no event later than the Outside Closing Date. The failure by Purchaser to make an election within five (5) Business Days after the Closing Date shall be deemed an election not to close title to the Property and to terminate this Agreement. If Purchaser shall elect, or be deemed to have elected, to terminate this Agreement, upon the Downpayment Return, this Agreement shall be deemed canceled and become void and of no further effect, and neither party hereto shall have any obligations of any nature to the other hereunder or by reason hereof, except that the provisions of Sections 12, 13, 23 and 29 hereof shall survive such termination. If Seller elects to adjourn the Closing as provided above, this Agreement shall remain in effect for the period or periods of adjournment in accordance with its terms. Seller shall not be required to take or bring any action or proceeding or any other steps to remove any defect in or objection to title or to fulfill any condition precedent to Purchaser's obligations under this Agreement or to expend any moneys therefor, nor shall Purchaser have any right of action against Seller therefor, at law or in equity, except that notwithstanding the foregoing, Seller shall pay, discharge or remove of record or cause to be paid, discharged or removed of record at Seller's sole cost and expense all of the following items: (i) Voluntary Liens (as hereinafter defined) and (ii) liens encumbering the Property which (v) are not Voluntary Liens, (w) are not the responsibility of either a Space Lessee under its Space Lease to pay, discharge or remove of record, (x) are in liquidated amounts, (y) may be satisfied solely by the payment of money (including the preparation or filing of appropriate satisfaction instruments in connection therewith) and (z) do not exceed $102,500.00 in the aggregate (the "**Title Cure Cost Limit**"). The term "**Voluntary Liens**" as used herein shall mean liens and other encumbrances (other than Permitted Exceptions), whether or not in liquidated sums, which Seller has knowingly and intentionally suffered or allowed to be placed on the Property after the date hereof (which excludes judgments, Violations (as hereinafter defined) and federal, state and municipal tax liens).

2.4 Notwithstanding anything in Section 2.3 above to the contrary, Purchaser may at any time accept such title as Seller can convey, without reduction of the Purchase Price (as hereinafter defined) or any credit or allowance on account thereof or any claim against Seller, except that Purchaser shall be entitled to a credit against the Purchase Price in an amount equal to the lesser of (a) the actual cost of curing all defects in or objections to title to the Property that Seller is obligated to cure pursuant to Section 2.3 but has not cured, and (b) the Title Cure Cost Limit less any amounts expended by Seller in curing defects or objections to title. The acceptance of the Deed (as hereinafter defined) by Purchaser shall be deemed to be full performance of, and discharge of, every agreement and obligation on Seller's part to be performed under this Agreement, except for such matters which are expressly stated in this Agreement to survive the Closing.

2.5 The amount of any unpaid taxes, assessments and water and sewer charges which Seller is obligated to pay and discharge, with interest and penalties, may at the option of Seller be paid by Purchaser out of the balance of the Purchase Price, if official bills therefor with interest and penalties thereon figured to said date are furnished to or obtained by the Title Company at the Closing for payment thereof and the Title Company omits from the Title Policy any exception therefor.

2.6 If the Property shall, at the time of the Closing, be subject to any liens such as for judgments or transfer, inheritance, estate, franchise, license or other similar taxes or any encumbrances or other title exceptions which would be grounds for Purchaser to reject title hereunder, the same shall not be deemed an objection to title provided that, at the Closing, Seller pays, by Wire Transferred Funds (as hereinafter defined) the amount required to satisfy the same, or at Seller's option, allows Purchaser a credit against the Purchase Price in an amount sufficient to (a) cause the Title Company at the Closing to omit the same as an exception to the Title Policy (without payment of any special premium) and (b) to satisfy and discharge of record such liens and encumbrances together with the cost of recording or filing such instruments required in connection therewith.

2.7 Other than with respect to such endorsements as may be required in order to render title in compliance with the terms of this Agreement, Purchaser shall be solely responsible for causing the Title Company, at Purchaser's sole cost and expense to issue any endorsements that Purchaser requires, and the issuance of such endorsements, except as aforesaid, shall not be a condition precedent to Closing or Purchaser's obligation to perform as required hereunder.

3. Purchase Price and Payment.

3.1 The purchase price payable to Seller for the Property is FIFTY SIX MILLION AND 00/100 Dollars ($56,000,000.00) (the "**Purchase Price**"), subject to such apportionments, adjustments and credits as are provided herein.

3.2 The Purchase Price shall be payable as follows:

3.2.1 On the date hereof, TWO MILLION EIGHT HUNDRED THOUSAND AND 00/100 DOLLARS ($2,800,000.00) (the "**DP Amount**"), is payable concurrently herewith in immediately available funds, by federal funds wire transfer ("**Wire Transferred Funds**") to Lawyers Title Insurance Corporation, as escrow agent ("**Escrow Agent**") pursuant to the instructions (the "**Wire Instructions**") set forth on **Exhibit C** attached hereto and made a part hereof (the "**Downpayment**"). The Downpayment shall be held by Escrow Agent and disbursed in accordance with the terms and conditions of this Agreement. Any interest earned on the Downpayment shall be deemed to be part of the Downpayment and shall be paid together with the principal portion of the Downpayment to the party entitled thereto. Interest earned on the Downpayment shall not be credited toward the Purchase Price at Closing and shall, upon the Closing, be and remain the property of Seller. Notwithstanding the foregoing, Purchaser shall have the right at any time prior to Closing to substitute the Downpayment by providing Escrow Agent with a clean irrevocable non-documentary Letter of Credit payable on sight draft only, with a term of not less than one year and otherwise reasonably acceptable to Escrow Agent naming Escrow Agent as beneficiary in the full amount of the Downpayment issued by a nationally recognized money-center bank which is a member of the New York clearinghouse, in form reasonably satisfactory to Seller (a "**Downpayment LC**"). Upon Seller's approval of the letter of credit and delivery of the letter of credit to Escrow Agent, Escrow Agent shall promptly return the cash Downpayment to Purchaser by wire transfer of immediately available funds pursuant to wire instructions to be provided by Purchaser to Escrow Agent.

3.2.2 On the Closing Date, as follows:

(a) the acceptance by Purchaser of title to the Property subject to, and assumption of the outstanding principal balance as of the Closing Date of that certain indebtedness (the "**Indebtedness**") evidenced by that certain promissory note dated December 28, 2005, executed and delivered by Seller in favor of New York Life Insurance Company ("**Existing Lender**") in the original principal amount of $25,000,000.00 (the "**Note**") and secured, inter alia, by that certain Mortgage, Assignment of Leases and Rents and Security Agreement of even date therewith encumbering the Property (the "**Existing Mortgage**") and the other documents and instruments evidencing, securing or otherwise relating to the Indebtedness, all of which are described in **Exhibit J** attached hereto and made a part hereof (the Note, the Existing Mortgage and such other documents and instruments which evidence and secure the Existing Indebtedness are collectively referred to herein as the "**Existing Loan Documents**"); and

(b) if Purchaser has made the Downpayment in cash, payment to Seller of the amount by which (x) the Purchase Price exceeds (y) the sum of (1) the Existing Indebtedness plus (2) the DP Amount, and (B) if Purchaser has delivered a Downpayment LC, payment to Seller of the amount by which the Purchase Price exceeds the Existing Indebtedness, in each case, subject to the apportionments, adjustments and credits provided in this Agreement, by wire transfer of immediately available funds to an account or accounts designated by Seller.

3.2.3 The parties hereto acknowledge and agree that the value of the Personal Property and the Intangible Personal Property is de minimis and that no part of the Purchase Price is allocable thereto.

3.3 Subject to Section 23.1.3, whenever in this Agreement Purchaser is entitled to a return of the Downpayment, Purchaser shall be entitled to the return of the Downpayment actually being held by Escrow Agent pursuant to this Agreement, together with all interest earned thereon or, if Purchaser has provided a Downpayment LC, return of the Downpayment LC. Subject to Section 23.1.3, whenever in this Agreement Seller is entitled to retain the Downpayment, Seller shall be entitled to the Downpayment actually being held by Escrow Agent pursuant to this Agreement, together with all interest earned thereon or the Downpayment LC actually delivered to Escrow Agent and shall be entitled to draw or instruct Escrow Agent to draw thereupon and Escrow Agent shall deliver the proceeds of such Downpayment LC to Seller.

3.4 For the purposes of this Agreement, the capitalized term "**Business Day**" means any day of the year on which banks are not required or are authorized by law to close in New York City.

3.5 Whenever it is provided in this Agreement that Purchaser is entitled to a credit to be applied toward payment of the Purchase Price, Seller may elect to pay to Purchaser at Closing, by Wire Transferred Funds, an amount equal to such credit as Purchaser is so entitled in lieu of such credits.

4. Closing.

4.1 The closing of the transaction contemplated hereby (the "**Closing**") shall occur at 10:00 AM Eastern Standard Time on April 30, 2007 (such date, as the same may be adjourned as provided herein, being herein referred to as the "**Closing Date**").

4.2 Purchaser and Seller shall each be entitled to adjourn the date scheduled for Closing one or more times by delivering to the other notice of any such adjournment on or before the then scheduled Closing Date, setting forth the adjourned date for Closing. Notwithstanding the foregoing, under no circumstances shall the Closing Date be adjourned to a date later than 10:00 AM Eastern Standard Time on June 11, 2007 (the "**Outside Closing Date**").

4.3 The Closing will occur at the offices of Greenberg Traurig, LLP, 200 Park Avenue, New York, New York 10166. TIME SHALL BE OF THE ESSENCE WITH RESPECT TO THE OBLIGATION OF BOTH SELLER AND PURCHASER TO CLOSE ON THE OUTSIDE CLOSING DATE.

5. As Is.

5.1 (a) Except as is expressly set forth in this Agreement to the contrary, Purchaser is expressly purchasing the Property "AS IS, WHERE IS, AND WITH ALL FAULTS" as of the date hereof. Seller has specifically bargained for the assumption by Purchaser of all responsibility to investigate the Property, Laws and Regulations, Facts, Space Leases and Service Contracts and of all risk of adverse conditions existing as of the date hereof and has structured the Purchase Price and other terms of this Agreement in Purchase Price thereof. Purchaser has undertaken all such investigations of the Property, Laws and Regulations, Facts, Space Leases and Service Contracts as Purchaser deems necessary or appropriate under the circumstances as to the current status of the Property and based upon same, except as is expressly set forth in this Agreement to the contrary, Purchaser is and will be relying solely upon such inspections and examinations and the advice and counsel of its own consultants, agents, legal counsel and officers.

(b) EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER SELLER NOR ANY PERSON ACTING ON BEHALF OF SELLER, NOR ANY PERSON OR ENTITY WHICH PREPARED OR PROVIDED ANY OF THE MATERIALS REVIEWED BY PURCHASER IN CONDUCTING ITS DUE DILIGENCE, NOR ANY DIRECT OR INDIRECT OFFICER, DIRECTOR, PARTNER, MEMBER, SHAREHOLDER, EMPLOYEE, AGENT, REPRESENTATIVE, ACCOUNTANT, ADVISOR, ATTORNEY, PRINCIPAL, AFFILIATE, CONSULTANT, CONTRACTOR, SUCCESSOR OR ASSIGN OF ANY OF THE FOREGOING PARTIES (SELLER AND ALL OF THE OTHER PARTIES DESCRIBED IN THE PRECEDING PORTIONS OF THIS SENTENCE (OTHER THAN PURCHASER AND/OR ANY AFFILIATE THEREOF) SHALL BE REFERRED TO HEREIN COLLECTIVELY AS THE "**EXCULPATED PARTIES**") HAS MADE OR SHALL BE DEEMED TO HAVE MADE ANY ORAL OR WRITTEN REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESSED OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE (INCLUDING WITHOUT LIMITATION WARRANTIES OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE), WITH RESPECT TO THE PROPERTY, THE PERMITTED USE OF THE PROPERTY OR THE ZONING AND OTHER LAWS AND REGULATIONS APPLICABLE THERETO OR THE COMPLIANCE BY THE PROPERTY THEREWITH, THE REVENUES AND EXPENSES GENERATED BY OR ASSOCIATED WITH THE PROPERTY OR OTHERWISE RELATING TO THE PROPERTY OR THE TRANSACTIONS CONTEMPLATED HEREIN. PURCHASER FURTHER ACKNOWLEDGES THAT EXCEPT AS EXPRESSLY SET FORTH IN THE AGREEMENT, ALL MATERIALS THAT HAVE BEEN PROVIDED BY ANY OF THE EXCULPATED PARTIES HAVE BEEN PROVIDED WITHOUT ANY WARRANTY OR REPRESENTATION, EXPRESSED OR IMPLIED AS TO THEIR SUITABILITY FOR ANY PURPOSE OR ACCURACY AND EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, PURCHASER SHALL NOT HAVE ANY RECOURSE AGAINST SELLER OR ANY OF THE OTHER EXCULPATED PARTIES IN THE EVENT OF ANY ERRORS THEREIN OR OMISSIONS THEREFROM. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, PURCHASER IS ACQUIRING THE PROPERTY BASED SOLELY ON ITS OWN INDEPENDENT INVESTIGATION AND INSPECTION OF THE PROPERTY AND NOT IN RELIANCE ON ANY INFORMATION PROVIDED BY SELLER, OR ANY OF THE OTHER EXCULPATED PARTIES.

5.2 Except as is expressly set forth in this Agreement to the contrary Seller hereby disclaims all warranties of any kind or nature whatsoever (including warranties of habitability and fitness for particular purposes), whether expressed or implied, including, without limitation, warranties with respect to the Property. Except as is expressly set forth in this Agreement to the contrary, Purchaser acknowledges that it is not relying upon any representation of any kind or nature made by Seller, or any of its direct or indirect members, partners, shareholders, officers, directors, employees or agents (collectively, the "**Seller Related Parties**") with respect to the Property. Notwithstanding anything to the contrary contained herein, this Article 5 does not limit or affect in any way any indemnification provision contained in this Agreement.

5.3 Seller makes no warranty with respect to the presence of Hazardous Materials (as hereinafter defined) within or upon the Property. Purchaser's consummation of the closing hereunder shall be deemed to constitute an express waiver of Purchaser's right to cause Seller to be joined in any action brought under any Environmental Laws (as hereinafter defined). The term "**Hazardous Materials**" shall mean (a) those substances included within the definitions of any one or more of the terms "hazardous materials", "hazardous wastes", "hazardous substances", "industrial wastes", and "toxic pollutants", as such terms are defined under the Environmental Laws, or any of them, (b) petroleum and petroleum products, including, without limitation, crude oil and any fractions thereof, (c) natural gas, synthetic gas and any mixtures thereof, (d) asbestos and or any material which contains any hydrated mineral silicate, including, without limitation, chrysotile, amosite, crocidolite, tremolite, anthophylite and/or actinolite, whether friable or non-friable, (e) polychlorinated biphenyl ("**PCBs**") or PCB-containing materials or fluids, (f) radon, urea formaldehyde, lead, lead in drinking water or lead based paint, (g) any pathogen, toxin or other biological agent or condition including, without limitation, any fungus, mold, mycotoxin or microbial matter naturally occurring or otherwise, (h) any other hazardous or radioactive substance, material, pollutant, contaminant or waste, and (i) any other substance with respect to which any Environmental Law or governmental authority requires environmental investigation, monitoring or remediation. The term "**Environmental Laws**" shall mean all federal, state and local laws, statutes, guidelines, codes, ordinances, regulations, now or hereafter in effect, in each case as amended or supplemented from time to time, including, without limitation, all applicable judicial or administrative orders, applicable consent decrees and binding judgments relating to the regulation and protection of human health, safety, the environment and natural resources (including, without limitation, ambient air, surface, water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation), including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. §§ 9601 et seq.), the Hazardous Material Transportation Act, as amended (49 U.S.C. §§ 1801 et seq.), the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. §§ 136 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S. §§ 6901 et seq.), the Toxic Substance Control Act, as amended (42 U.S.C. §§ 7401 et seq.), the Clean Air Act, as amended (42 U.S.C. §§ 7401 et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. §§ 1251 et seq.), the Occupational Safety and Health Act, as amended (29 U.S.C. §§ 651 et seq.), the Safe Drinking Water Act, as amended (42 U.S.C. §§ 300f et seq.), Environmental Protection Agency regulations pertaining to Asbestos (including, without limitation, 40 C.F.R. part 61, Subpart M), the United States Environmental Protection Agency Guidelines on Mold Remediation in Schools and Commercial Buildings, the United States Occupational Safety and Health Administration regulations pertaining to Asbestos (including, without limitation, 29 C.F.R. Sections 1910.1001 and 1926.58), applicable Connecticut state and local statutes and the rules and regulations promulgated pursuant thereto regulating the storage, use and disposal of Hazardous Materials and any other state or local counterpart or equivalent of any of the other federal statutes, rules and regulations set forth above, and any federal, state or local transfer of ownership notification or approval statutes.

5.4 Subject to Section 2.1.11, Purchaser shall accept title to the Property at Closing subject to any and all Violations (whether or not of record), including, without limitation, those which are the express obligation of a Space Lessee under its Space Lease to be cured and removed of record.

5.5 Purchaser has relied solely upon Purchaser's own knowledge of the Property based on Purchaser's due diligence in determining the Property's physical condition. Except as expressly set forth in this Agreement to the contrary, Purchaser releases Seller, the Seller Related Parties and their respective successors and assigns from and against any and all claims which Purchaser or any party related to or affiliated with Purchaser (each, a "**Purchaser Related Party**") has or may have arising from or related to any matter or thing related to or in connection with the Property including the documents and information referred to herein, the Space Leases and the Space Lessees thereunder, any construction defects, errors or omissions in the design or construction and any environmental conditions, and, except as expressly set forth in this Agreement to the contrary, neither Purchaser nor any Purchaser Related Party shall look to Seller, the Seller Related Parties or their respective successors and assigns in connection with the foregoing for any redress or relief. This release shall be given full force and effect according to each of its express terms and provisions, including those relating to unknown and unsuspected claims, damages and causes of action. To the extent required to be operative, the disclaimers and warranties contained herein are "conspicuous" disclaimers for purposes of any applicable law, rule, regulation or order. Seller acknowledges and agrees that the disclaimer and release contained in this Section 5.5 specifically excludes and does not apply to Purchaser's right to implead Seller in any action against Purchaser by any third-party and/or governmental entity relating to the physical, environmental and/or structural condition of the Property or any law or regulation applicable thereto.

5.6 Purchaser further acknowledges and agrees that Purchaser's due diligence included the opportunity to assess the financial status and credit quality of the Space Lessees. Seller is making no warranties regarding the financial status or credit quality of any Space Lessee either currently or at Closing, and Purchaser assumes the risk between the date hereof and the Closing of any diminution of the financial status or credit quality or any bankruptcy of any Space Lessee. Without limiting the generality of the foregoing, Purchaser assumes the risk that between the date hereof and the Closing Date (i) any Space Lessee may default of its obligations under its Space Lease, or may increase the period of its delinquency in payment of rent, and Seller may terminate the applicable Space Lease on account thereof, or (ii) any Space Lease may be rejected in a bankruptcy proceeding of a Space Lessee, and any such default, termination or rejection shall not constitute or contribute to a breach of any representation or warranty of Seller under this Agreement or to the failure of a condition to Purchaser's obligation to close title hereunder, nor shall Purchaser be entitled to any reduction of the Purchase Price on account thereof.

5.7 In the event the fines associated with curing Contract Period Violations exceed the Violations Cap, then Purchaser shall have the right, in its sole discretion, to either (a) terminate this Agreement by written notice to Seller and Escrow Agent in which event Escrow Agent shall repay to Purchaser the Downpayment, together with any interest earned thereon or return to Purchaser the Downpayment L/C or (b) elect to close title to the Property without any adjustment to the Purchase Price; provided however that in the event that Purchaser elects to terminate this Agreement pursuant to clause (a) above, Seller shall have the right, by written notice to Purchaser delivered not later than five (5) business days after Seller's receipt of Purchaser's termination notice, to elect to cause Purchaser to close title to the Property and receive a credit against the Purchase Price in an amount by which the fines associated with curing the Contract Period Violations exceed the Violations Cap, in which event Purchaser's termination notice shall be null and void and Purchaser shall be obligated to close title hereunder.

5.8 The provisions of this Section 5 shall survive the termination of this Agreement or the Closing and shall not be deemed to have merged into any of the documents executed or delivered at the Closing.

6. Apportionments.

6.1 At the Closing, the following items shall be apportioned between the parties as of 11:59 PM on the day preceding the Closing Date. Except as hereinafter expressly provided, all prorations shall be done on the basis of a three hundred sixty-five (365) day year and the actual number of days elapsed to the Closing Date or the actual number of days in the month in which the Closing occurs, as applicable. Any errors in the apportionments pursuant to this Section 6 shall be corrected by appropriate re-adjustment between Seller and Purchaser post-Closing, provided that notice of any such error, with supporting calculations, shall be given by Purchaser to Seller or by Seller to Purchaser, as the case may be, no later than one (1) year after the Closing, and all such apportionments shall be deemed final as of such date. Except as otherwise specifically provided for herein, all apportionments shall be made in the manner recommended by the Customs in Respect to Title Closings of the Real Estate Board of New York, Inc., and there shall be no other apportionments. The items to be apportioned are:

6.1.1 (a) Fixed rent (including electricity, if applicable) under Space Leases ("**Fixed Rent**") which is collected on or prior to the Closing in respect of the month in which the Closing occurs (the "**Current Month**"), shall be apportioned on a per diem basis based upon the number of days in the Current Month prior to the Closing Date (which shall be allocated to Seller) and the number of days in the Current Month on and after the Closing Date (which shall be allocated to Purchaser). If, at the Closing, any Fixed Rent is unpaid subject to clause (c) below, payments of Fixed Rent thereafter received from such Space Lessee shall be applied and disbursed in the following order and priority:

(i) First, on account of Fixed Rent owing by such Space Lessee in respect of the Current Month, to be apportioned between Seller and Purchaser as provided in Section 6.1.1(a);

(ii) Next, to Purchaser, in an amount equal to all other Fixed Rent owing by such Space Lessee in respect of all periods after the Current Month;

(iii) Next, to Seller, in an amount equal to all other Fixed Rent owing by such Space Lessee in respect of all periods prior to the Current Month; and

(iv) The balance, if any, to Purchaser.

Each party agrees to remit reasonably promptly to the other the amount of such rents to which such party is so entitled and to account to the other party monthly in respect of same. Seller shall have the right from time to time for a period of three hundred sixty-five (365) days following the Closing, on reasonable prior notice to Purchaser, to review Purchaser's rental records with respect to the Property to ascertain the accuracy of such accountings. All such reviews shall be conducted at Purchaser's place of business during normal business hours at no cost or expense to Purchaser and in a manner which does not interfere with Purchaser's business operations or those of its tenants. Purchaser shall have the right from time to time for a period of three hundred sixty-five (365) days following the Closing, on reasonable prior notice to Seller, to review Seller's rental records with respect to the Property to ascertain the accuracy of such accountings. All such reviews shall be conducted at Seller's place of business during normal business hours at no cost or expense to Seller and in a manner which does not interfere with Seller's business operations or those of its tenants.

(b) If the Closing shall occur prior to the time when any rental payments for fuel pass-alongs, so-called escalation rent or charges based upon real estate taxes, operating expenses, labor costs, cost of living or consumer price increases, a percentage of sales or like items (collectively, "**Overage Rent**") are payable for any period which includes the period prior to the Closing, then such Overage Rent for the applicable accounting period in which the Closing occurs shall be apportioned subsequent to the Closing. Purchaser agrees that it will receive in trust and pay over to Seller, within thirty (30) days after Purchaser's receipt thereof, a pro-rated amount of such Overage Rent paid subsequent to the Closing by such Space Lessee based upon the portion of such accounting period which occurs prior to the Closing (to the extent not theretofore collected by Seller on account of such Overage Rent prior to the Closing), and shall account to Seller in respect of the same. If, prior to the Closing, Seller shall collect any sums on account of Overage Rent or fixed rent for a year or other period, or any portion of such year or other period, beginning prior but ending subsequent to the Closing, such sums shall be apportioned at the Closing as of the date of the Closing.

(c) Overage Rent prepaid by Space Lessees or otherwise payable by Space Lessees based on an estimated amount and subject to adjustment or reconciliation pursuant to the related Space Leases subsequent to the Closing shall be apportioned as provided in Section 6.1.1(b) hereof and shall be re-apportioned as and when the related Space Lessee's actual obligation for such Overage Rent is reconciled pursuant to the related Space Lease. Purchaser and Seller shall jointly determine whether the items constituting Overage Rent have been overbilled or underbilled with respect to accounting periods prior to or in which the Closing occurs. If Purchaser and Seller determine (subject to any protest rights of any Space Lessee) that there has been an overbilling and an overbilled amount has been received, Purchaser shall reimburse or credit against Overage Rent next coming due such amount to the Space Lessees which paid the excess amount and the parties shall contribute to such reimbursement in the respective proportions in which the applicable overbilled Overage Rents were previously apportioned between the parties as provided in Section 6.1.1(b). If Purchaser and Seller determine (subject to any protest rights of any Space Lessee) that there has been an underbilling, the additional amount may be billed to the Space Lessees who are determined to owe such additional amount, and the parties shall apportion such amount(s) so received in the respective proportions in which Overage Rents were previously apportioned between the parties as provided in Section 6.1.1(b). If Purchaser fails or refuses to seek Seller's approval of any determination as to the existence of any underbilling or overbilling and unilaterally makes such determination, Seller shall have no obligation to contribute toward any reimbursement of Space Lessees made by Purchaser and Seller shall be entitled to recover from Purchaser Seller's proportionate share of any underbilled amount established by Seller.

(d) Amounts payable by Space Lessees in respect of overtime heat, air conditioning or other utilities or services, freight elevator charges, supplemental water, HVAC and condenser charges, services or repairs and labor costs associated therewith, above standard cleaning and all other items which are payable to Seller as reimbursement or payment for above standard overtime services whether pursuant to such Space Lessee's Space Lease or pursuant to a separate agreement with Seller (collectively "**Reimburseables**") shall not be adjusted, and shall, subject to clause (c) above, belong to the party furnishing such utilities, labor or services to such Space Lessee.

(e) If any Space Lessee expressly identifies any payment of Post Closing Rent as a payment made to be in respect of a period prior to the Closing, or such payment of Post Closing Rent is otherwise determinable from the context of such payment as being in respect of a period prior to the Closing (e.g., it is accompanied by an invoice for an item of Fixed Rent or Overage Rent in such amount), then, provided that at the time of such payment such Space Lessee is current for the period following the Closing in the payment of (i) Fixed Rent, and (ii) that portion of Overage Rent relating to real estate taxes, the payment (or portion thereof) so identified shall be remitted by Purchaser to Seller (subject to apportionment if in respect of the Current Month).

(f) All unapplied security deposits and advance rentals in the nature of security deposits paid by Space Lessees (or any predecessor thereof) pursuant to Space Leases ("**Security Deposits**") which are described in **Exhibit D**, shall be delivered to Purchaser at the Closing or, at the option of Seller, Security Deposits held in cash at Closing shall be credited toward the Purchase Price. Any transfer fees or charges due in respect of the assignment and/or replacement of any unapplied security deposit comprised of a letter of credit (a "**Security LC**") shall be borne by Seller. To the extent that any Security LC shall not be transferable as of the Closing, Seller and Purchaser shall cooperate with each other following the Closing so as to transfer the same to Purchaser or to obtain a replacement letter of credit with respect thereto in favor of Purchaser as soon as practicable after the Closing. Seller shall deliver any such Security LC to Purchaser at the Closing and until any such Security LC shall be transferred or replaced, Seller shall, within two (2) Business Days of receipt of Purchaser's certification that an event has occurred under the applicable Space Lease entitling the landlord thereunder to apply the Security Deposit, draw upon the same and deliver the proceeds to Purchaser for Purchaser's application in accordance with the applicable Space Lease provided that such certification of Purchaser shall contain an agreement in form and substance reasonably satisfactory to Seller, whereby Purchaser indemnifies and holds Seller harmless from and against any and all obligations, liabilities, claims, demands, losses, damages, causes of action, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) arising in connection with such drawing. The provisions of this Section 6.1.1(g) shall survive the Closing.

(g) (i) For a period not to exceed six (6) months subsequent to the Closing, Purchaser agrees that it shall include in its regular rent statements to Space Lessees the amount of any Fixed Rent and Overage Rent due to Seller pursuant to this Agreement; provided, however, that Purchaser shall not be required to institute legal proceedings for the collection of such sums or incur any additional expense in connection therewith.

(ii) Prior to the Closing, Seller may bring an action against any Space Lessee for which an Arrearage exists, and subsequent to the Closing, Seller shall retain the right to bring a separate and independent cause of action for money damages only against any Space Lessee as to which an Arrearage exists as of the Closing, it being understood and agreed that, as of the date hereof, Seller shall have no right to terminate any Space Lease without the Purchaser's prior written consent, exercisable by Purchaser in its sole discretion. At any time after Seller commences any such action, Purchaser, at its sole option, may purchase the Arrearage from Seller for an amount equal the Arrearage which exists as of the Closing. Thereafter Purchaser shall be the sole party entitled to bring an action or proceeding (or maintain the action commenced by Seller) against any Space Lessee for which such an advance has been made. All payments thereafter received in respect of the Arrearage by Purchaser shall be retained by Purchaser.

(h) Seller shall have the right from time to time for a period expiring on the later of (i) of one hundred eighty (180) days following the Closing, or (ii) the disposition or settlement of any litigation pending against any Space Lessee on reasonable prior notice to Purchaser, to review Purchaser's rental records with respect to the Property to ascertain the accuracy of such accountings. All such reviews shall be conducted at Seller's place of business during normal business hours at no cost or expense to Seller and in a manner which does not interfere with Seller's business operations or those of its tenants. Purchaser shall have the right from time to time for a period of one hundred eighty (180) days following the Closing, on reasonable prior notice to Seller, to review Seller's rental records with respect to the Property to ascertain the accuracy of such accountings. All such reviews shall be conducted at Purchaser's place of business during normal business hours at no cost or expense to Purchaser and in a manner which does not interfere with Purchaser's business operations or those of its tenants.

6.1.2 Except to the extent required to be paid by Space Lessees directly to the applicable taxing authority pursuant to the related Space Leases, real estate taxes, BID charges or assessments, unmetered water and sewer charges and vault charges, if any, and any and all other municipal or governmental assessments of any and every nature levied or imposed upon the Property in respect of the current fiscal year of the applicable taxing authority in which the Closing Date occurs (the "**Current Tax Year**"), on a per diem basis based upon the number of days in the Current Tax Year prior to the Closing Date (which shall be allocated to and paid by Seller on or prior to Closing) and the number of days in the Current Tax Year on and after the Closing Date (which shall be allocated to Purchaser). If the Closing shall occur before the tax rate for the Current Tax Year is fixed, the apportionment of real estate taxes shall be upon the basis of the tax rate for the next preceding fiscal period applied to the latest assessed valuation. Promptly after the new tax rate is fixed for the fiscal period in which the Closing takes place, the apportionment of real estate taxes shall be recomputed. In the event that the tax rate for the Current Tax Year is adjusted after the date hereof, the adjusted tax rate shall be deemed to apply to real estate taxes for the entire Current Tax Year, and the installment of real estate taxes payable in respect of the Property on January 1, 2007 shall be recalculated to reflect the new tax rate for the purposes of apportionment hereunder. Upon the Closing Date and subject to the adjustment provided above, Purchaser shall be responsible for real estate taxes and assessments levied or imposed upon the Property payable in respect of the Current Tax Year and all periods after the Current Tax Year. In the event that any assessments levied or imposed upon the Property are payable in installments, the installment for the Current Tax Year shall be prorated in the manner set forth above and Purchaser hereby assumes the obligation to pay any such installments due on and after the Closing Date.

6.1.3 (a) Interest accrued in respect of the Existing Indebtedness for the Current Month, on a per diem basis, based upon the number of days in the Current Month prior to the Closing (which shall be allocated to and paid by Seller), and the number of days on and after the Closing (which shall be the responsibility of Purchaser).

(b) The amounts held by Existing Lender (as hereinafter defined) in the reserve and escrow accounts (individually, a "**Reserve Account**" and collectively, the "**Reserve Accounts**") set forth in **Exhibit H** attached hereto and made a part hereof, shall be assigned to Purchaser, and Seller shall receive a credit at Closing in an amount equal to the balance in the Reserve Accounts.

6.1.4 Intentionally omitted.

6.1.5 Charges payable under Service Contracts in respect of the Current Billing Period on a per diem basis based upon the number of days in the current billing period prior to the Closing Date (which shall be allocated to Seller) and the number of days in the current billing period on and after the Closing Date (which shall be allocated to Purchaser) and assuming that all charges are incurred uniformly during the current billing period.

6.1.6 Tenant Improvement Costs (as hereinafter defined), if any, as listed on **Exhibit S** and Payable Commissions (as hereinafter defined), if any, payable under the Leasing Brokerage Agreements (as hereinafter defined) and listed on **Exhibit E**, in each case in respect of any and all Space Leases entered into at any time prior to the date hereof, shall be either paid by Seller on or prior to the Closing or credited to Purchaser at Closing. Commissions payable in connection with the exercise after the date hereof of any renewal, extension or expansion option provided for in any Space Lease shall be allocated to, and paid by Purchaser.

6.1.7 Any charges or fees for transferable licenses and Permits for the Property.

6.1.8 The remaining unpaid cost of any work required to complete capital improvement projects that have been commenced, but not completed, as of the date hereof (but not projects included in the current budget that have not been commenced as of the date hereof), which costs are set forth on **Exhibit CC** attached hereto, shall be credited to Purchaser.

6.1.9 Intentionally omitted.

6.1.10 Interest and administrative fees allowable by law on Space Lessees' security deposits as provided in Section 6.1.1(f).

6.1.11 All other items customarily apportioned in connection with sales of similar property in the State and City of New York.

6.2 If there are water meters or submeters measuring water consumption within the Building or any meters or submeters measuring the supply of steam, electricity or gas, Seller shall endeavor to furnish readings to a date not more than five (5) days prior to the Closing Date, and the unfixed meter charges and the unfixed sewer rents, if any, based thereon for the intervening time shall be apportioned on the basis of such last readings. If Seller fails or is unable to obtain such readings, the Closing shall nevertheless proceed and the parties shall apportion the meter charges and sewer rents on the basis of the last readings and bills received by Seller and the same shall be appropriately readjusted after the Closing on the basis of the next subsequent bills. Unpaid water meter and other utility charges as of the Closing Date which (a) are the obligation of Space Lessees under Space Leases who are current in all monetary obligations under their respective Space Lease and (b) are less than thirty (30) days old, shall not be an objection to title and Purchaser shall look solely to such Space Lessees for collection of such amounts.

6.3 Seller shall furnish to Purchaser not less than two (2) Business Days prior to the Closing a proposed closing statement setting forth proposed closing adjustments and other credits and charges to each party pursuant to this Agreement.

6.4 The provisions of this Section 6 shall survive the Closing; provided, however, that any re-prorations or re-apportionments shall be made as and when required under Section 6.1 above. Any corrected adjustment or proration shall be paid in Wire Transferred Funds to the party entitled thereto.

7. Representations and Warranties of the Parties; Certain Covenants.

7.1 Seller warrants, represents and covenants to and with Purchaser that the following are true and correct on the date hereof (or as of the date set forth on the applicable Exhibit if a preparation date is set forth thereon):

7.1.1 Seller is a limited liability company duly formed and in good standing under the laws of the State of Connecticut and has the requisite power and authority to enter into and to perform the terms of this Agreement. Seller is not subject to any law, order, decree, restriction or agreement which prohibits or would be violated by this Agreement or the consummation of the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action of Seller. This Agreement constitutes, and each document and instrument contemplated hereby to be executed and delivered by Seller, when executed and delivered, shall constitute the legal, valid and binding obligation of Seller enforceable against Seller in accordance with its respective terms (subject to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally).

7.1.2 Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code 1986, as amended, or any regulations promulgated thereunder (collectively, the "**Code**").

7.1.3 Neither the execution, delivery and performance of this Agreement nor the consummation of the transactions contemplated hereby is prohibited by, or requires Seller to obtain any consent, authorization, approval or registration under any law, statute, rule, regulation, judgment, order, writ, injunction or decree which is binding upon Seller.

7.1.4 There are no judgments, orders, or decrees of any kind against Seller unpaid or unsatisfied of record, nor any actions, suits or other legal or administrative proceedings pending or, to the best of Seller's actual knowledge, threatened in writing against Seller, which could have any material adverse effect on Seller or the Property or the ability of Seller to consummate the transactions contemplated by this Agreement.

7.1.5 There are no leases or other written agreements for the use or occupancy of all or any portion of the Property to which Seller is a party or by which Seller is bound other than those set forth on **Exhibit F** attached hereto and made a part hereof (such leases or occupancy agreements, together with all renewals, replacements and amendments thereof entered into after the date hereof in accordance with Section 27, being herein referred to as the "**Space Leases**"). Seller has delivered or made available to Purchaser true, correct and complete copies of all of the Space Leases, and has delivered to Purchaser or made available to Purchaser for review all material tenant correspondence relating to the Space Leases in the possession or control of Seller or Seller's property manager (collectively, the "**Lease Files**").

7.1.6 As to the Space Leases:

(a) None has been modified except as set forth on **Exhibit F** and, to Seller's knowledge each is in full force and effect. The rent roll (the "**Rent Roll**") attached hereto as **Exhibit G** is true, accurate and complete in all material respects as of the date hereof. No Space Lessee is more than thirty (30) days in arrears of its obligations to pay Fixed Rent or Overage Rent, except as set forth on the schedule attached hereto as **Exhibit G-1** and made a part hereof (the "**Arrearage Schedule**").

(b) (i)Seller has not received written notice that it is in default in any of its obligations under any Space Lease which has not been cured or waived in writing.

(c) Except as expressly set forth in the Space Leases, no Space Lessee is entitled to any free rent, abatement, rent concession or tenant improvement allowance, other than Tenant Improvement Costs, if any, which are to be prorated pursuant to Section 6.1.6.

(d) Except as otherwise set forth in Space Leases or in the Rent Roll, no Space Lessee has prepaid any rents or additional rents for more than one (1) month in advance.

(e) Seller is in possession of the Security Deposits set forth in the schedule attached hereto as **Exhibit D** and made a part hereof, which schedule correctly sets forth whether such Security Deposit is held in cash or Security LC. No security deposits in the form of cash deposits or letters of credit have been paid to Seller by or on behalf of the Space Lessees except as set forth in **Exhibit D**.

(f) Except as set forth on **Exhibit E** attached hereto and made a part hereof, there are no leasing brokerage commissions (or unpaid installments thereof) with respect to any Space Leases (the "**Payable Commissions**") which are now or will be in the future due and payable (including, renewals, extensions or expansions of any Space Lease, regardless of whether or not such renewal, extension or expansion is pursuant to a provision contained in an existing Space Lease). **Exhibit E** sets forth the sole leasing brokerage agreements entered into by Seller ("**Leasing Brokerage Agreements**") relating to the Property in effect on the date hereof. At Closing, Purchaser shall assume the obligations of Seller arising from and after the Closing under the Leasing Brokerage Agreements pursuant to the Omnibus Assignment (as hereinafter defined).

(g) Except as set forth on **Exhibit S**, there is no tenant improvement work required to be performed by the landlord under any Space Lease or for which the landlord is required under any Space Lease to reimburse any Space Lessee which has not been completed and/or the costs of which (the "**Tenant Improvement Costs**") have not been paid.

(h) Notwithstanding anything to the contrary contained in this Agreement, (i) Seller does not represent or warrant that any particular Space Lease will be in force or effect at Closing, that the Space Lessees will have performed their obligations under the Space Leases or that the Space Lessees will not be the subject of bankruptcy proceedings, that any demised premises under any Space Lease are actively occupied by any Space Lessee and (ii) the existence of any default by a Space Lessee, the failure of a Space Lessee to perform its obligations under its Space Lease, the termination of any Space Lease prior to Closing by reason of the Space Lessee's default or the existence of bankruptcy proceedings pertaining to any Space Lessee, shall not, except as otherwise provided herein, affect the obligation of Purchaser to close under this Agreement.

7.1.7 Seller has not received written notice from a governmental authority of violation of any Environmental Law that has not been cured.

7.1.8 Except as set forth on the Rent Roll attached hereto as **Exhibit G** or on the list of pending litigation attached hereto and made a part hereof as **Exhibit I** and other than actions or suits covered by insurance, there are no actions to which Seller is a party, suits to which Seller is a party or proceedings to which Seller is a party (including landlord/tenant proceedings) pending or threatened in writing against Seller or the Property, at law or in equity, before any federal, state, municipal or governmental department, commission, board, bureau, agency or instrumentality which is reasonably likely to, if adversely determined, prohibit or impair Seller from consummating the transactions contemplated hereby. There are no disputes pending or threatened by Seller or, to the best of Seller's knowledge, against Seller. **Exhibit I-1** sets forth all pending proceedings for reduction of the assessed valuation of the Property ("**Tax Proceedings**").

7.1.9 Intentionally omitted.

7.1.10 Intentionally omitted.

7.1.11 There are no employees of Seller working at or in connection with the Property and Seller is not a party to any union or collective bargaining agreements or employment agreements affecting the Property as of the date hereof nor shall any such agreements be in effect as of the Closing Date.

7.1.12 There are no Service Contracts in respect of the Property except as set forth on **Exhibit T** attached hereto and made a part hereof. Seller has delivered to Purchaser true, correct and complete copies of all of the Service Contracts. Nothing herein contained shall be deemed to be a guaranty, warranty or assurance that the Service Contracts, or any of them, will be in effect at the Closing, and the termination of any Service Contract prior to the Closing shall not affect Purchaser's obligations hereunder.

7.1.13 All undisputed bills and claims for labor performed and materials furnished to or for the account of Seller arising prior to the Closing Date will be paid in full by Seller in the ordinary course of business.

7.1.14 Seller has not received any written notice from any governmental authority of (i) any pending, threatened or contemplated annexation or condemnation proceedings, or private purchase in lieu thereof, affecting or which may affect the Property or the Building, or any part thereof, (ii) any proposed or pending proceeding to change or redefine the zoning classification of all or any part of the Property or the Building, (iii) any proposed or pending tax or other assessments affecting the Property or any portion thereof and (iv) any penalties or interest due with respect to real estate taxes assessed against the Property.

7.1.15 Seller has not received written notice from any governmental authority that any of the Permits are subject to, or in jeopardy of, cancellation or non-renewal. True, correct and complete copies of Permits that are within the possession or control of Seller have been provided or made available to Purchaser.

7.1.16 Seller represents to Purchaser that neither it nor any of its constituents have engaged in any dealings or transactions, directly or indirectly, (a) in contravention of any U.S., international or other money laundering regulations or conventions, including, without limitation, the United States Bank Secrecy Act, the United States Money Laundering Control Act of 1986, the United States International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, Trading with the Enemy Act (50 U.S.C. § I et seq., as amended), or any foreign asset control regulations of the United States Treasury Department (31 DFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto, or (b) in contravention of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56, the "**USA PATRIOT ACT**") or Executive Order No. 13224 dated September 24, 2001 issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), as may be amended or supplemented from time to time ("Anti-Terrorism Order") or on behalf of terrorists or terrorist organizations, including those persons or entities that are included on any relevant lists maintained by the United Nations, North Atlantic Treaty Organization, Organization of Economic Cooperation and Development, Financial Action Task Force, U.S. Office of Foreign Asset Control, U.S. Securities & Exchange Commission, U.S. Federal Bureau of Investigation, U.S. Central Intelligence Agency, U.S. Internal Revenue Service, or any country or organization, all as may be amended from time to time. Neither Seller nor any of its constituents (i) are or will be conducting any business or engaging in any transaction with any person appearing on the U.S. Treasury department's Office of Foreign Asset Control list of restrictions and prohibited persons, or (ii) are a person described in section 1 of the Anti-Terrorism Order, and to the best of Seller's knowledge, respectively neither Seller nor any of its affiliates have engaged in any dealings or transactions, or otherwise been associated with any such person. The provisions of this subsection shall survive the Closing or earlier termination of this Agreement.

For the purposes of this Agreement, the terms "to the actual knowledge of Seller", "to the best of Seller's actual knowledge", "to Seller's knowledge", "Seller has no knowledge" and phrases of similar import shall mean the actual, present knowledge (and not constructive knowledge) of Roger Thomas, Ricardo Cardozo and William Rivkin without investigation or inquiry and shall not mean that Seller or such individual is charged with knowledge of the acts, omissions and/or knowledge of Seller's property manager (or any employee thereof) or of Seller's other agents or employees or of Seller's predecessors in title to the Property. The representations and warranties of Seller set forth in this Section 7.1 are subject to the limitation that to the extent that Seller has delivered to Purchaser any Space Leases prior to the date hereof, and either such Space Leases or the Permitted Exceptions contain provisions inconsistent with any representation or warranty, then such representation or warranty shall be deemed modified to conform to such provisions.

7.2 Purchaser warrants, represents and covenants to and with Seller that the following are true and correct on the date hereof:

7.2.1 Purchaser is a Delaware limited liability company, any duly organized, validly existing and in good standing under the laws of Delaware and has the requisite power and authority to enter into and to perform the terms of this Agreement. Purchaser has the corporate power and authority to execute, deliver and perform this Agreement. Purchaser is not subject to any law, order, decree, restriction, or agreement which prohibits or would be violated by this Agreement or the consummation of the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action of Purchaser. This Agreement constitutes, and each document and instrument contemplated hereby to be executed and delivered by Purchaser, when executed and delivered, shall constitute the legal, valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its respective terms (subject to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditor's rights generally).

7.2.2 Neither the execution, delivery and performance of this Agreement nor the consummation of the transactions contemplated hereby is prohibited by, or requires Purchaser to obtain any consent, authorization, approval or registration under any law, statute, rule, regulation, judgment, order, writ, injunction or decree which is binding upon Purchaser.

7.2.3 There are no judgments, orders, or decrees of any kind against Purchaser unpaid or unsatisfied of record, nor any actions, suits or other legal or administrative proceedings pending or, to the best of Purchaser's actual knowledge, threatened against Purchaser, which would have any material adverse effect on the business or assets or the condition, financial or otherwise, of Purchaser or the ability of Purchaser to consummate the transactions contemplated by this Agreement.

7.2.4 Purchaser is not acquiring the Property with the assets of an employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")), or, if plan assets will be used to acquire the Property, Purchaser will deliver to Seller at Closing a certificate containing such factual representations as shall permit Seller and its counsel to conclude that no prohibited transaction would result from the consummation of the transactions contemplated by this Agreement. Purchaser is not a "party in interest" within the meaning of Section 3(3) of ERISA with respect to any beneficial owner of Seller.

7.2.5 Purchaser represents to Seller that neither it nor any of its constituents have engaged in any dealings or transactions, directly or indirectly, (a) in contravention of any U.S., international or other money laundering regulations or conventions, including, without limitation, the United States Bank Secrecy Act, the United States Money Laundering Control Act of 1986, the United States International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, Trading with the Enemy Act (50 U.S.C. § I et seq., as amended), or any foreign asset control regulations of the United States Treasury Department (31 DFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto, or (b) in contravention of the USA PATRIOT ACT or any Anti-Terrorism Order or on behalf of terrorists or terrorist organizations, including those persons or entities that are included on any relevant lists maintained by the United Nations, North Atlantic Treaty Organization, Organization of Economic Cooperation and Development, Financial Action Task Force, U.S. Office of Foreign Asset Control, U.S. Securities & Exchange Commission, U.S. Federal Bureau of Investigation, U.S. Central Intelligence Agency, U.S. Internal Revenue Service, or any country or organization, all as may be amended from time to time. Neither Purchaser nor any of its constituents (i) are or will be conducting any business or engaging in any transaction with any person appearing on the U.S. Treasury department's Office of Foreign Asset Control list of restrictions and prohibited persons, or (ii) are a person described in section 1 of the Anti-Terrorism Order, and to the best of Purchaser's knowledge, respectively neither Purchaser nor any of its affiliates have engaged in any dealings or transactions, or otherwise been associated with any such person. The provisions of this subsection shall survive the Closing or earlier termination of this Agreement.

7.3 Seller's representations and warranties inclusive, shall survive the Closing for a period expiring 180 days following the Closing (such survival period being herein referred to as the "**Survival Period**"). Any claim by Purchaser after Closing of a breach of the aforesaid representations or warranties made by Seller (a "**Breach**") shall be made by Purchaser prior to the expiration of the Survival Period, by Purchaser delivering to Seller written notice thereof (a "**Claim Notice**"). If Seller fails to cure such Breach within fifteen (15) days after Seller's receipt of a Claim Notice (provided however, if such Breach is not susceptible of cure within such fifteen (15) day period, Seller shall have such additional time as is necessary to cure the Breach if Seller has commenced a cure within such fifteen (15) day period and is diligently prosecuting such cure to completion), but in no event shall such additional time exceed sixty (60) days in the aggregate),Purchaser's sole remedy shall be to commence a legal proceeding in a court of competent jurisdiction against Seller alleging that Seller is in breach of such representation or warranty (a "**Proceeding**"), which Proceeding must be commenced, if at all, within sixty (60) days after the expiration of the Survival Period. Notwithstanding the foregoing, if prior to the Closing Purchaser becomes aware of one or more Breaches (whether in the Bring Down Certificate or otherwise) which, in the aggregate, would not result in an adverse economic impact ("**Damage**") to Purchaser or the Property greater than $102,500.00 (the "**Threshold**"), Purchaser shall not be entitled to refuse to close title by reason thereof. If prior to the Closing Purchaser becomes aware of one or more Breaches which cause Damage in excess of the Threshold, Purchaser may elect to either (i) waive such Breach or Breaches and close title to the Property, and receive a credit equal to the Threshold to be applied against the Purchase Price, or (ii) avail itself of the remedies set forth in Section 10.2. If Purchaser has elected to terminate this Agreement pursuant to clause (ii) immediately above, Purchaser shall be entitled to a Downpayment Return. After the Closing, Purchaser may deliver a Claim Notice only if Purchaser becomes aware of one or more Breaches which results in Damage which exceeds the Threshold. The aggregate liability of Seller arising by reason of or in connection with all alleged Breaches asserted after the date of Closing shall not in any event exceed $1,025,000. The terms and provisions of this Section 7.3 shall survive the Closing and/or termination of this Agreement.

8. Closing Deliveries.

8.1 At or prior to the Closing:

8.1.1 Seller shall execute, acknowledge and deliver to Purchaser in respect of the Property a limited warranty deed, in the form attached hereto as **Exhibit M** and made a part hereof (the "**Deed**").

8.1.2 Seller shall execute, acknowledge and deliver to Purchaser an assignment of all of Seller's right, title and interest as landlord or otherwise under each of the Space Leases in respect of the Property, and of any security deposits required thereunder to be held by Seller on the date of the Closing (unless Seller elects to credit any of such security deposits to the Purchase Price), in the form attached hereto as **Exhibit N** and made a part hereof (the "**Assignment of Space Leases**"), and shall deliver to Purchaser (a) executed originals or copies (if Seller does not have originals in its possession), of each of such Space Leases.

8.1.3 Seller shall execute and deliver to Purchaser notices to the Space Lessees under the Space Leases advising them of the sale of the Property in the form attached hereto as **Exhibit O** and made a part hereof.

8.1.4 Seller shall execute, acknowledge and deliver to Purchaser an omnibus assignment (the "**Omnibus Assignment**"), in the form attached hereto as **Exhibit P** and made a part hereof conveying and transferring to Purchaser all right, title and interest of Seller, if any, in and to all Personal Property, Improvements, Permits, Warranties, Intangible Personal Property, Plans and Leasing Brokerage Agreements relating to the Property and Plans.

8.1.5 To the extent in Seller's possession or control, Seller shall deliver to Purchaser (a) all keys, access cards and security codes to all portions of the Property and the Building, (b) all presently effective warranties or guaranties from any contractors, subcontractors, suppliers, manufacturers, servicemen or materialmen in connection with any of the Personal Property or any construction, renovation, repairs or alterations of the Property including the Building, the Improvements or any tenant improvements (collectively, the "**Warranties**"), and (c) copies of all as-built plans and specifications for the Building (the "**Plans**").

8.1.6 Seller shall deliver to Purchaser a certificate, duly executed and acknowledged by Seller, in accordance with Section 1445 of the Code (a "**FIRPTA Certificate**").

8.1.7 Seller shall deliver to Purchaser limited liability company resolutions of Seller and consents of its members in customary form reasonably satisfactory to the Title Company, authorizing the transaction contemplated herein and the execution and delivery of the documents required to be executed and delivered hereunder.

8.1.8 Seller shall deliver to Purchaser a certificate of Seller, dated as of the Closing, certifying to the fulfillment of the conditions set forth in Section 9.2.2 hereof (the "**Bring Down Certificate**").

8.1.9 (a) Seller shall after the date hereof request and use commercially reasonable efforts to obtain from each Space Lessee an estoppel ("**Estoppel**") which shall be either (i) in the form attached hereto as **Exhibit Q** and made a part hereof or (ii) in the event any Space Lease provides for the form of Estoppel that the Space Lessee thereunder shall be required to deliver to the landlord under such Space Lease or set(s) forth the matters to be contained in such an Estoppel in connection with a sale and/or ground lease and/or mortgaging of all or any part of the Property, in such form or containing those matters required to be addressed by such Space Lessee. Seller shall deliver copies of each Estoppel to Purchaser for its review promptly following receipt thereof. Notwithstanding the foregoing, other than Estoppels from (i) Hachette Filipacchi Media, U.S., Inc., (ii) McMahan Securities Co. L.P., (iii) HQ Global Workplaces LLC, (iv) Greenwich Hospital, (v) Greenwich Capital Markets, Inc., (vi) VCS Group LLC, (vii) Wallersutton 2000 Management, LLC (viii) Whitman Breed Abbott & Morgan, LLC, (ix) Drs. Trepp & Miller, P.C. and (x) Putnam Gynecology & Obstetrics of Greenwich, P.C. (collectively, the "**Identified Tenants**"), the obtaining and delivery of Estoppels shall not be a condition to Purchaser's obligation to close hereunder. In the event all Tenant Improvement Costs for the Identified Tenants in (ix) and (x) above are fully paid at or prior to Closing (and Seller provides Purchaser with reasonable evidence of such payment), Identified Tenant Estoppels for such tenants shall not be a condition to Purchaser's obligations hereunder. On or before the second (2nd) Business Day prior to the Closing, as a condition to Purchaser's obligation to close, Purchaser shall have received an Estoppel from each Identified Tenant in the form attached to the Space Lease between Seller and such Estoppel Tenant or in the form of Estoppel attached as **Exhibit Q** (collectively, the "**Identified Tenant Estoppel**").

8.1.10 Seller shall execute, acknowledge and deliver all required Connecticut transfer state and local tax returns in respect of the Property (the "**State Transfer Tax Return**").

8.1.11 Seller shall deliver a fully executed commission agreement with respect to HQ Global Workplaces LLC.

8.1.12 Seller shall deliver a fully executed consent to the sublease of the leased premises of Hachette Filipacchi Media, U.S., Inc.

8.1.13 Intentionally omitted.

8.1.14 Intentionally omitted.

8.1.15 Seller shall execute, acknowledge and deliver to the Title Company a title affidavit in the form attached hereto as **Exhibit R** and made a part hereof.

8.1.16 Intentionally omitted.

8.2 At or prior to the Closing:

8.2.1 Purchaser shall pay to Seller the balance of the Purchase Price required pursuant to Section 3.2 hereof.

8.2.2 Purchaser shall deliver to Seller copies of Purchaser's resolutions authorizing the transaction contemplated by this Agreement.

8.2.3 Purchaser shall execute, acknowledge and deliver to Seller a counterpart of the Assignment of Space Leases.

8.2.4 Intentionally omitted.

8.2.5 Purchaser shall execute, acknowledge and deliver to Seller a counterpart of the State Transfer Tax Return.

8.2.6 Intentionally omitted.

8.2.7 Purchaser shall execute, acknowledge and deliver to Seller a counterpart of the Omnibus Assignment and Assumption.

8.3 Seller and Purchaser, at the Closing, shall prepare, execute and deliver to each other, subject to all the terms and provisions of this Agreement a closing statement setting forth, inter alia, the closing adjustments and material monetary terms of the transaction contemplated hereby.

9. Conditions to Closing Obligations.

9.1 Notwithstanding anything to the contrary contained herein, the obligation of Seller to close title in accordance with this Agreement is expressly conditioned upon the fulfillment by and as of the time of the Closing of each of the conditions listed below, provided that Seller, at its election, evidenced by written notice delivered to Purchaser at or prior to the Closing, may waive any of such conditions:

9.1.1 Purchaser shall have executed and delivered to Seller all documents described in Section 8.2, shall have paid all required sums of money and shall have taken or caused to be taken all of the other material action required of Purchaser in this Agreement.

9.1.2 All representations and warranties made by Purchaser in this Agreement shall be true and correct in all material respects as of the date of the Closing.

9.1.3 The closing of the sale of the 125 Property to 125 Purchaser shall have occurred or shall occur simultaneously with the Closing.

9.2 Notwithstanding anything to the contrary contained herein, the obligation of Purchaser to close title and pay the Purchase Price in accordance with this Agreement is expressly conditioned upon the fulfillment by and as of the time of the Closing of each of the conditions listed below, provided that Purchaser, at its election, evidenced by written notice delivered to Seller at or prior to the Closing, may waive all or any of such conditions:

9.2.1 Seller shall have executed and delivered to Purchaser all of the documents, and shall have taken or caused to be taken all of the other material action, required of Seller under this Agreement.

9.2.2 All representations and warranties made by Seller in this Agreement shall be true and correct in all material respects when made and as of the Closing Date, except to the extent the facts and circumstances underlying such representations and warranties may have changed as of the Closing, in which event Seller shall represent in the Bring Down Certificate such changed facts and circumstances. Purchaser shall not be obligated to close if a representation or warranty is not true and correct in all material respects as of the Closing Date in a manner which would have a material adverse effect on the value or intended use of the Property unless caused by changed facts or circumstances which pursuant to the express terms of this Agreement are permitted to have occurred.

9.2.3 The Title Company shall be willing to insure title to the Property pursuant to an Owner's Policy of Title Insurance (ALTA 10-17-92) in the amount of the Purchase Price at regular rates and without additional premium, subject only to the Permitted Exceptions and as otherwise provided in this Agreement (the "**Title Policy**").

9.2.4 Purchaser shall have received the Lender's Consent (as hereinafter defined).

9.2.5 Purchaser shall have received the Identified Tenant Estoppels required pursuant to Section 8.1.9.

10. Limitation on Liability of Parties.

10.1 In the event Purchaser shall default in the performance of Purchaser's obligations under this Agreement and the Closing does not occur as a result thereof (a "**Purchaser Default**"), Seller's sole and exclusive remedy shall be, and Seller shall be entitled, to retain the Downpayment and any interest earned thereon or the Downpayment LC actually delivered to Escrow Agent, and Seller shall be entitled to draw, or instruct Escrow Agent to draw, thereupon and Escrow Agent shall deliver the proceeds of the Downpayment LC to Seller, as and for full and complete liquidated and agreed damages for Purchaser's default, and Purchaser shall be released from any further liability to Seller hereunder, except that the provisions of Sections 12, 13, 23 and 29 hereof shall survive. SELLER AND PURCHASER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO ESTIMATE THE DAMAGES WHICH SELLER MAY SUFFER UPON A PURCHASER DEFAULT AND THAT THE DOWNPAYMENT AND ANY INTEREST EARNED THEREON OR THE DOWNPAYMENT LC REPRESENTS A REASONABLE ESTIMATE OF THE TOTAL NET DETRIMENT THAT SELLER WOULD SUFFER UPON A PURCHASER DEFAULT. SUCH LIQUIDATED AND AGREED DAMAGES ARE NOT INTENDED AS A FORFEITURE OR A PENALTY WITHIN THE MEANING OF APPLICABLE LAW.

10.2 In the event of a failure of a condition to Purchaser's obligations hereunder (occurring as a result of Seller's default hereunder) which Purchaser is unwilling to waive, or if Seller shall be unable (as opposed to unwilling) to convey title to Purchaser in accordance with this Agreement, Purchaser may, as its sole remedy in such event, elect to terminate this Agreement, and in such event Escrow Agent shall make a Downpayment Return, and upon the Downpayment Return, each party shall be released from any further liability to the other hereunder, except that the provisions of Sections 12, 13, 23 and 29 hereof shall survive.

10.3 In the event that Seller shall default in the performance of Seller's obligations under this Agreement and the Closing does not occur as a result thereof, Purchaser's sole and exclusive remedy shall be, and Purchaser shall be entitled, to either (a) seek specific performance of Seller's obligations hereunder, provided that any such action for specific performance must be commenced within thirty (30) days after such default or (b) instruct Escrow Agent to make a Downpayment Return. In no event whatsoever shall Seller be liable to Purchaser for any damages of any kind whatsoever.

11. Fire or Other Casualty; Condemnation.

11.1 Seller agrees (a) to maintain Seller's Casualty Insurance in full force and effect through the Closing, and (b) to give Purchaser reasonably prompt notice of any fire or other casualty occurring at the Property of which Seller obtains knowledge, between the date hereof and the date of the Closing, or of any actual or threatened condemnation of all or any part of the Property of which Seller obtains knowledge.

11.2 If prior to the Closing there shall occur damage to the Building caused by fire or other casualty, the Closing shall be adjourned for up to twenty (20) days (but in no event, later than the Outside Closing Date), or for such longer period (not to exceed sixty the earlier of (x) (60) days and (y) the Outside Closing Date) as may be reasonably required in order to permit (a) Purchaser's architect or engineer to estimate the cost to repair or restore the Building to its condition immediately prior to such casualty (the "**Estimated Repair Cost**") and (b) allow Seller and Purchaser to receive from the insurers under Seller's Casualty Insurance (i) confirmation that such loss is an insured loss and (ii) an estimate of the amount of insurance proceeds payable in respect thereof (the items described in clauses (i) and (ii) being herein referred to as the "**Insurer's Loss Payable Statement**"). If, prior to the Closing, a fire or other casualty causes damage to the Building and either (1) the Estimated Repair Cost is $2,800,000 or more, (2) one or more Space Lessees occupying more than 25% of the rentable square feet of the Building is entitled to terminate its Space Lease (which right has not been waived) or (3) the holder of the existing mortgage debt encumbering the Property does not agree to make all insurance proceeds payable in respect of such casualty available for repair or restoration of the Property (either of clauses (1), (2) or (3) being herein referred to as a "**Material Casualty**") or there shall occur a taking by condemnation of any material portion of the Property, then, and in either such event, Seller or Purchaser may elect to terminate this Agreement by written notice given to the other within (A) in the case of a fire or other casualty, ten (10) Business Days after receipt of the Insurer's Loss Payable Statement, and (B) in the case of a condemnation, ten (10) Business Days after Seller has given Purchaser the notice referred to in Section 11.1 hereof, in which event Escrow Agent shall promptly make a Downpayment Return, this Agreement shall thereupon be null and void and neither party hereto shall thereupon have any further obligation to the other, except that the provisions of Sections 12, 13, 23 and 29 hereof shall survive such termination.

11.3 If Seller and Purchaser do not elect to terminate this Agreement, then (a) the Closing shall take place as herein provided, (b) Seller shall at the Closing (i) assign to Purchaser, all of Seller's interest in and to any insurance proceeds or condemnation awards which may be payable to Seller on account of any such fire, casualty or condemnation, and (ii) credit to Purchaser on account of the Purchase Price (A) any such proceeds (as reflected in the Insurer's Loss Payable Statement) or awards theretofore paid, and (B) the amount of any applicable insurance deductible. The proceeds of rent interruption insurance, if any, shall on the Closing Date be appropriately apportioned between Purchaser and Seller.

11.4 If, prior to the Closing, there shall occur (a) damage to the Building caused by fire or other casualty which is not a Material Casualty or (b) a taking by condemnation of any part of the Building which is not material, then, and in either such event, Purchaser shall not have the right to terminate this Agreement by reason thereof, but Seller shall at Closing, assign to Purchaser all of Seller's interest in any insurance proceeds or condemnation awards payable to Seller on account of any such fire, casualty or condemnation, and shall credit to Purchaser on account of the Purchase Price (A) any such proceeds (as reflected in the Insurer's Loss Payable Statement) or awards theretofore paid to Seller, and (B) the amount of any applicable insurance deductible. The proceeds of rent interruption insurance, if any, shall on the Closing Date be appropriately apportioned between Purchaser and Seller.

11.5 Nothing contained in this Section 11 shall be construed to impose upon Seller any obligation to repair any damage or destruction caused by fire or other casualty or condemnation.

11.6 For purposes of this Section 11, (a) a taking of a material part of the Property shall mean any taking which, in Purchaser's reasonable opinion, leaves remaining a balance of the Property which may not be economically operated (after appropriate restoration) for the purpose for which the Property was operated or intended to be operated prior to such taking, taking into account the Purchase Price to be paid by Purchaser and (b) taking of a material part of the Property shall mean any taking of an area which is more than fifteen percent (15%) of the aggregate rentable area of the Property.

11.7 In the event that Purchaser does not elect to terminate this Agreement in accordance with Section 11.2 above, or upon the occurrence of the events set forth in Section 11.4 (a) or (b) above, Seller and Purchaser shall jointly negotiate with insurers and any condemning authority regarding the amount of any insurance proceeds and/or any condemnation awards payable in respect thereof. Seller shall not contest, settle or compromise any claim without Purchaser's approval, which will not be unreasonably withheld.

11.8 The provisions of this Section 11 supercede any law applicable to the Property governing the effect of fire or other casualty in contracts for real property.

12. Brokerage.

Purchaser and Seller each represent and warrant to the other that it has not dealt with any broker, consultant, finder or like agent who might be entitled to a commission or compensation on account of introducing the parties hereto, the negotiation or execution of this Agreement or the closing of the transactions contemplated hereby. Purchaser and Seller each further agrees to indemnify and hold the other, its respective successors and assigns, harmless from and against all claims, losses, liabilities and expenses (including, without limitation, reasonable attorneys fees and disbursements) which may be asserted against, imposed upon or incurred by such party by reason of any claim made by any other broker, consultant, finder or like agent for commissions or other compensation for bringing about this transaction or claiming to have introduced the Property to Purchaser. The provisions of this Section 12 shall survive the Closing or other termination of this Agreement.

13. Closing Costs; Fees and Disbursements of Counsel, etc.

At the Closing, Seller shall pay (a) the Connecticut Real Estate Conveyance Tax imposed pursuant to Connecticut tax law and any local tax law (the "**State Transfer Tax**"), due upon or payable in connection with the transfer of title to the Property and the recordation of the Deed, and (b) all sums required to be paid under any rule or regulation relating thereto in connection with the sale and transfer of the Property to Purchaser. State Transfer Taxes payable hereunder shall, at Purchaser's election, be credited against the Purchase Price and paid by Purchaser on behalf of Seller. Seller and Purchaser shall each execute and/or swear to the returns or statements required in connection with the State Transfer Tax. All such tax payments to be paid by Seller shall be made by certified check payable directly to the order of the appropriate governmental authority or by Wire Transferred Funds to the Title Company. Purchaser shall pay (i) all charges for recording and/or filing the Deed and (ii) all title charges and survey costs, including the premium for Purchaser's Title Policy. Each of the parties hereto shall bear and pay the fees and disbursements of its own counsel, accountants and other advisors in connection with the negotiation and preparation of this Agreement and the Closing. Seller and Purchaser shall share equally (i.e., 50/50) the assumption fee payable in connection with Purchaser's assumption of the Existing Indebtedness. The provisions of this Section 13 shall survive the Closing.

14. Notices.

Except as otherwise provided in this Agreement, all notices, demands, requests, consents, approvals or other communications (for the purposes of this Section collectively referred to as "**Notices**") required or permitted to be given hereunder or which are given with respect to this Agreement, in order to constitute effective notice to the other party, shall be in writing and shall be deemed to have been given when (a) personally delivered with signed delivery receipt obtained, (b) when transmitted by facsimile machine, if followed by giving of, pursuant to one of the other means set forth in this Section 14 before the end of the first business day thereafter, printed confirmation of successful transmission to the appropriate facsimile number of the address listed below as obtained by the sender from the sender's facsimile machine, (c) upon receipt, when sent by prepaid reputable overnight courier or (d) three (3) days after the date so mailed if sent postage prepaid by registered or certified mail, return receipt requested, in each case addressed as follows:

If to Seller, to:

500 West Putnam, L.L.C.
c/o Mack-Cali Realty Corp.
343 Thornall Street
Edison, New Jersey 08837
Attention: Mitchell E. Hersh, President and
Chief Executive Officer
Roger W. Thomas, Esq.
Facsimile: (732) 205-9015

with copies to:

Seyfarth Shaw LLP
1270 Avenue of the Americas
Suite 2500
New York, New York 10020
Attention: John P. Napoli, Esq.
Stephen G. Epstein, Esq.
Facsimile: (212) 218-5527

If to Purchaser, to:

SLG 500 West Putnam LLC

c/o SL Green Realty Corp.
420 Lexington Avenue
New York, New York 10170
Attention: Andrew S. Levine, Esq.
Facsimile: (212) 216-1785

with a copy to:

Greenberg Traurig, LLP
200 Park Avenue
New York, New York 10166
Attention: Robert J. Ivanhoe, Esq.
Facsimile: (212) 801-6400

If to Escrow Agent, to:

Lawyers Title Insurance Corporation
2 Grand Central
140 East 45th Street
22nd Floor
New York, New York 10017
Attention: Mark Baillie
Facsimile: (212) 973-6722

Notices shall be valid only if served in the manner provided above. Notices may be sent by the attorneys for the respective parties and each such Notice so served shall have the same force and effect as if sent by such party.

15. Survival; Governing Law.

Except as otherwise expressly set forth in this Agreement, the provisions of this Agreement shall not survive the Closing provided for herein. This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with, the laws of the State of New York in effect from time to time except for such matters which, with respect to the Property, are subject to the laws of the state in which the Property is located and may not, under the laws of such state, be waived by contract, as to which matters, the laws of the state in which the Property is located shall govern.

16. Counterparts; Captions.

This Agreement may be executed in counterparts, each of which shall be deemed an original. The captions are for convenience of reference only and shall not affect the construction to be given any of the provisions hereof.

17. Entire Agreement; No Third Party Beneficiaries.

This Agreement (including all exhibits annexed hereto), contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior understandings, if any, with respect thereto. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligations hereunder be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. The parties do not intend to confer any benefit hereunder on any person, firm or corporation other than the parties hereto. The provisions of this Section shall survive the Closing.

18. Waivers; Extensions.

No waiver of any breach of any agreement or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other agreement or provision herein contained. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts.

19. Further Assurances.

The parties each agree to do such other and further acts and things, and to execute and deliver such instruments and documents (not creating any obligations additional to those otherwise imposed by this Agreement) as either may reasonably request from time to time, whether at or after the Closing, in furtherance of the purposes of this Agreement. The provisions of this Section 19 shall survive the Closing. Each party shall cooperate with each other and do all acts as may be reasonably required or requested by the other with regard to the fulfillment of any condition precedent to such other party's obligations hereunder, including execution of any documents, applications or permits, but the representations and warranties of any party made in this Agreement shall not be affected or released by any investigation or inquiry made by any party or any of its agents or consultants or by any waiver or fulfillment of any such condition.

20. Assignment

Except as set forth below, Purchaser shall neither assign its rights nor delegate its obligations hereunder without obtaining Seller's prior written consent, which consent shall not be unreasonably withheld. Notwithstanding the foregoing or anything herein to the contrary, Purchaser may assign its rights and obligations hereunder (and, otherwise, this Agreement) to: (a) an entity or entities with respect to which Purchaser or its affiliates control or is under common ownership, either directly or indirectly, to the extent of at least fifty-one percent (51%) ownership interest of such entity or entities (any such entity, a "**Permitted Assignee**" and, for the avoidance of doubt, any such Permitted Assignee shall also constitute and be referred to hereunder, including, without limitation, under Section 34, as the "Purchaser"); or (b) solely for the purpose of effectuating an Exchange for Purchaser, and subject to Section 34, one or more "exchange accommodation titleholders" ("**EAT**") (within the meaning of the Revenue Procedure (as defined in Section 34)) and/or one or more limited liability companies, partnerships, real estate investment trusts, or business trusts or other entities (any of which, a "Non-Corporate Entity"), directly or indirectly, owned by any one or more of the Purchaser, entities that would qualify as a Permitted Assignee of Purchaser and/or any one or more EATs; provided, however, and notwithstanding anything herein to the contrary, any such Non-Corporate Entity may then be further assigned, on or prior to the Closing, to any such one or more EATs (and/or to any other Non-Corporate Entity that is, directly or indirectly, wholly-owned by any such one or more EATs as necessary to enable the Purchaser to effectuate its Exchange. Whereas any such assignment referred to in clause (b) shall be subject to the provisions of Section 34 hereof, any such assignment to a Permitted Assignee referred to in clause (a) above shall be subject to (i) Purchaser assigning to the Permitted Assignee all of its right, title and interest in and to the Downpayment, and (ii) Purchaser delivering to Seller a copy of a fully executed assignment and assumption agreement prior to Closing. Notwithstanding any assignment of this Agreement in accordance with the terms of this Section 20, Purchaser named herein shall remain jointly and severally liable with the assignee (although not any EAT or Purchaser Intermediary (defined in Section 34 hereof)) for the payment and performance of all of Purchaser's obligations hereunder.

21. Pronouns; Joint and Several Liability.

All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the parties may require. The liability of Seller hereunder shall be joint and several.

22. Successors and Assigns.

This Agreement shall bind and inure to the benefit of Seller, Purchaser and their respective permitted successors and assigns.

23. Escrow.

23.1 Escrow Agent shall hold the Downpayment, together with all interest earned thereon, in its interest bearing escrow account (provided that Seller and Purchaser shall each provide Escrow Agent with a W-9 form and an Order to Invest), or the Downpayment LC, as the case may be in accordance with the following:

23.1.1 Escrow Agent shall hold the Downpayment, together with all interest earned thereon, in Escrow Agent's escrow account at JPMorgan Chase Bank, NA, and shall cause the Downpayment to earn interest at JPMorgan Chase Bank, NA's then prevailing insured money market rates on trust account deposits of similar size. Escrow Agent shall have no liability for any fluctuations in the interest rate paid by JPMorgan Chase Bank, NA on the Downpayment, and is not a guarantor thereof.

23.1.2 If Escrow Agent receives a written notice signed by both Seller and Purchaser stating that the Closing has occurred and that Seller is entitled to receive the Downpayment or Purchaser is entitled to receive the Downpayment LC, as the case may be, Escrow Agent shall deliver the Downpayment, together with the interest earned thereon to Seller or the Downpayment LC to Purchaser, as the case may be. If Escrow Agent receives a written notice signed by both Seller and Purchaser that this Agreement has been terminated or canceled, Escrow Agent shall deliver the Downpayment, together with the interest thereon or the Downpayment LC as directed therein.

23.1.3 If Escrow Agent receives a written request signed by Purchaser or Seller (the "**Noticing Party**") stating that this Agreement has been canceled or terminated and that the Noticing Party is entitled to the Downpayment or the Downpayment LC, as the case may be, or that the other party hereto (the "**Non-Noticing Party**") has defaulted in the performance of its obligations hereunder, Escrow Agent shall mail (by certified mail, return receipt requested) a copy of such request to the Non-Noticing Party. The Non-Noticing Party shall have the right to object to such request for the Downpayment or the Downpayment LC, as the case may be, by written notice of objection delivered to and received by Escrow Agent ten (10) Business Days after the date of Escrow Agent's mailing of such copy to the Non-Noticing Party, but not thereafter. If Escrow Agent shall not have so received a written notice of objection from the Non-Noticing Party, Escrow Agent shall deliver the Downpayment, together with the interest earned thereon or the Downpayment LC, as the case may be, to the Noticing Party. If Escrow Agent shall have received a written notice of objection within the time herein prescribed, Escrow Agent shall refuse to comply with any requests or demands on it and shall continue to hold the Downpayment, together with any interest earned thereon or the Downpayment LC, as the case may be, until Escrow Agent receives either (a) a written notice signed by both Seller and Purchaser stating who is entitled to the Downpayment (and interest) or the Downpayment LC, as the case may be, or (b) a final order of a court of competent jurisdiction directing disbursement of the Downpayment (and interest) or the Downpayment LC, as the case may be, in a specific manner, in either of which events Escrow Agent shall then disburse the Downpayment, together with the interest earned thereon or deliver the Downpayment LC, as the case may be, in accordance with such notice or order. Escrow Agent shall not be or become liable in any way or to any person for its refusal to comply with any such requests or demands until and unless it has received a direction of the nature described in clause (a) or (b) above.

23.2 Any notice to Escrow Agent shall be sufficient only if received by Escrow Agent within the applicable time period set forth herein. All mailings and notices from Escrow Agent to Seller and/or Purchaser, or from Seller and/or Purchaser to Escrow Agent, provided for in this Section 23 shall be addressed to the party to receive such notice at its notice address set forth in Section 14 above (with copies to be similarly sent to the additional persons therein indicated), but the provisions of Section 14 relating to the manner of giving notices and the effective dates thereof shall have no application to the provisions of this Section 23.

23.3 Notwithstanding the foregoing, if Escrow Agent shall have received a written notice of objection as provided for in Section 23.1.3 above within the time therein prescribed, or shall have received at any time before actual disbursement of the Downpayment or delivery of the Downpayment LC, as applicable, a written notice signed by either Seller or Purchaser disputing entitlement to the Downpayment or delivery of the Downpayment LC, as applicable, or shall otherwise believe in good faith at any time that a disagreement or dispute has arisen between the parties hereto over entitlement to the Downpayment or delivery of the Downpayment LC, as applicable (whether or not litigation has been instituted), Escrow Agent shall have the right, upon written notice to both Seller and Purchaser, (a) to deposit the Downpayment, together with the interest earned thereon or delivery of the Downpayment LC, as applicable, with the Clerk of the Court in which any litigation is pending and/or (b) to take such reasonable affirmative steps as it may, at its option, elect in order to terminate its duties as Escrow Agent, including, without limitation, the depositing of the Downpayment, together with the interest earned thereon, with a court of competent jurisdiction and the commencement of an action for interpleader, the costs thereof to be borne by whichever of Seller or Purchaser is the losing party, and thereupon Escrow Agent shall be released of and from all liability hereunder except for any previous gross negligence or willful misconduct.

23.4 Escrow Agent is acting hereunder without charge as an accommodation to Purchaser and Seller, it being understood and agreed that Escrow Agent shall not be liable for any error in judgment or any act done or omitted by it in good faith or pursuant to court order, or for any mistake of fact or law. Escrow Agent shall not incur any liability in acting upon any document or instrument believed thereby to be genuine. Escrow Agent is hereby released and exculpated from all liability hereunder, except only for willful misconduct or gross negligence. Escrow Agent may assume that any person purporting to give it any notice on behalf of any party has been authorized to do so. Escrow Agent shall not be liable for, and Purchaser and Seller hereby jointly and severally agree to indemnify Escrow Agent against, any loss, liability or expense, including reasonable attorney's fees (paid to retained attorneys) arising out of any dispute under this Agreement, including the cost and expense of defending itself against any claim arising hereunder.

24. Tax Proceedings.

If any proceedings for the reduction of the assessed valuation of the Property ("Tax Proceedings") relating to any tax years ending prior to the tax year in which the Closing occurs are pending at the time of the Closing, Seller reserves and shall have the right to continue to prosecute and/or settle the same in Seller's sole discretion at no cost or expense to Purchaser, and any refunds or credits due for the periods prior to Purchaser's ownership of the Property shall remain the sole property of Seller (subject to the rights, if any, of Space Lessees thereto). From and after the date hereof until the Closing, Seller is hereby authorized to commence any new Tax Proceedings and/or continue any Tax Proceedings, and in Seller's sole discretion at its sole cost and expense to litigate or settle same; provided, however, that Purchaser shall be entitled to that portion of any refund relating to the period occurring after the Closing after payment to Seller of all costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred by Seller in obtaining such refund. Purchaser shall deliver to Seller, reasonably promptly after request therefor, receipted tax bills and canceled checks used in payment of such taxes and shall execute any and all consents or other documents, and do any act or thing necessary for the collection of such refund by Seller. The provisions of this Section 24 shall survive the Closing.

25. Intentionally omitted.

26. Maintenance of the Property.

Between the date of this Agreement and the Closing, Seller shall operate the Property in the same manner as before the making of this Agreement. Seller shall not remove or transfer to any third party any Personal Property after the date hereof, except for repair or replacement thereof or in the ordinary course of business. Seller shall not commence any new capital projects at the Property. Seller agrees to use commercially reasonable efforts to take all actions necessary to remove Aries Shipping & Management, Inc., Horizon Shipping, Inc. and Flagship Trading & Shipping (U.S.A.), Inc. and Winklevoss Consultants, Inc. which, as of the date hereof, are occupying their space as holdover tenants (the "**Holdover Tenants**"), including, without limitation, instituting summary dispossess proceedings and Seller agrees to consult with Purchaser with respect to such proceedings. In the event that Seller commences summary dispossess proceedings or any other action to evict one or both of the Holdover Tenants and such tenants have not vacated their space prior to the Closing Date, Seller agrees to assign to Purchaser any and all actions in law or in equity which have been commenced against the Holdover Tenants.

27. Leasing and Contracts.

Seller shall not, after the date of this Agreement, enter into any new Space Lease or Service Contract affecting the Property, or any amendment, expansion, extension or renewal thereof (except as expressly authorized by a Space Lease), or permit any Space Lessee to enter into any sublease, assignment or agreement pertaining to the Property (except as expressly authorized by such Space Lessee's Space Lease), or waive, compromise or settle any rights of Seller under any contract or Space Lease, or return any Security Deposit (except as expressly authorized by a Space Lessee's Space Lease) (collectively a "**Material Transaction**"), without in each case obtaining Purchaser's prior written consent thereto which consent may be withheld in Purchaser's sole discretion. Seller shall not propose any new Service Contract which is not terminable without cost or penalty upon not more than thirty (30) days prior notice. When seeking Purchaser's consent to a Material Transaction that is a new Space Lease or a material modification of an existing Space Lease, Seller's notice shall provide notice of the identity of the proposed tenant, a term sheet or letter of intent containing material business terms (including, without limitation, the rent, expense base, concessions, tenant improvement allowances, brokerage commissions, and expansion and extension options) (the "**Material Terms**") and such credit and background information, if any, as Seller then possesses with respect to such proposed Space Lessee. Seller shall use commercially reasonable efforts to provide Purchaser with regular reports and information regarding the status of approved Material Transactions being negotiated. Purchaser shall be responsible for Tenant Improvement Costs and leasing commissions and all other leasing costs payable in connection with any new Space Lease approved or deemed approved by Purchaser pursuant to this Section.

28. Intentionally omitted.

29. Confidentiality; Public Disclosure.

Prior to Closing and except as set forth below, Seller and Purchaser covenant and agree not to communicate the terms or any aspect of this Agreement and the transactions contemplated hereby to any person or entity and to hold, in the strictest confidence, the content of any and all information in respect of the Property which is supplied by Seller to Purchaser or by Purchaser to Seller, without the express written consent of the other party; provided, however, that either party may, without consent, disclose the terms hereof and the transactions contemplated hereby (a) to its respective advisors, consultants, officers, directors, principals, investors, attorneys, accountants and lenders (the "**Transaction Parties**") without the express written consent of the other party, so long as any such Transaction Parties to whom disclosure is made shall also agree to keep all such information confidential in accordance with the terms hereof and (b) if disclosure is required by law or by regulatory or judicial process or pursuant to any regulations promulgated by either the Securities and Exchange Commission, the New York Stock Exchange or other public exchange for the sale and purchase of securities, provided that in such event Seller or Purchaser, as applicable, shall notify the other party in writing of such required disclosure, shall exercise all commercially reasonable efforts to preserve the confidentiality of the confidential documents or information, as the case may be, including, without limitation, reasonably cooperating with the other party to obtain an appropriate order or other reliable assurance that confidential treatment will be accorded such confidential documents or information, as the case may be, by such tribunal and shall disclose only that portion of the confidential documents or information which it is legally required to disclose. The foregoing confidentiality obligations shall not apply to the extent that any such information is a matter of public record or is provided in other sources readily available to the real estate industry other than as a result of disclosure by Seller or Purchaser, as applicable. Prior to Closing, any release to the public of information with respect to the transactions contemplated under this Agreement shall be in form approved by both Purchaser and Seller, and their respective counsel. This Section shall terminate at Closing.

30. Governing Law; Jurisdiction, Waivers.

30.1 This Agreement has been negotiated, executed and delivered and shall be governed by and construed in accordance with the laws of the State of New York from time to time in effect, without giving effect to the State of New York principles of conflicts of law (except for such matters which, with respect to the Property, are subject to the laws of the state in which the Property is located and may not, under the laws of such state, be waived by contract, as to which matters, the laws of the state in which the Property is located shall govern), except that it is the intent and purpose of Seller and Purchaser that the provisions of Section 5-1401 of the General Obligations Law of the State of New York shall apply to this Agreement. EACH PARTY HERETO AGREES THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE TRIED AND LITIGATED IN STATE OR FEDERAL COURTS LOCATED IN THE STATE OF NEW YORK, UNLESS SUCH ACTIONS OR PROCEEDINGS ARE REQUIRED TO BE BROUGHT IN ANOTHER COURT TO OBTAIN SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY. TO THE EXTENT PERMITTED BY LAW, EACH PARTY HERETO IRREVOCABLY WAIVES ANY RIGHT ANY PARTY HERETO MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS, TO ASSERT THAT ANY PARTY HERETO IS NOT SUBJECT TO THE JURISDICTION OF THE AFORESAID COURTS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 30. SERVICE OF PROCESS, SUFFICIENT FOR PERSONAL JURISDICTION IN ANY ACTION AGAINST ANY PARTY HERETO, MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ANY SUCH PARTY'S ADDRESS INDICATED IN SECTION 14 HEREOF.

30.2 EACH OF SELLER AND PURCHASER HEREBY EXPRESSLY AND UNCONDITIONALLY WAIVES, IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING BROUGHT BY THE OTHER PARTY HERETO UNDER THIS AGREEMENT OR IN CONNECTION WITH ANY TRANSACTION CONTEMPLATED HEREBY, ANY AND EVERY RIGHT EACH OF SELLER AND PURCHASER MAY HAVE TO (A) INJUNCTIVE RELIEF (EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT TO THE CONTRARY), (B) A TRIAL BY JURY, (C) INTERPOSE ANY COUNTERCLAIM THEREIN (EXCEPT FOR ANY COMPULSORY COUNTERCLAIM WHICH, IF NOT ASSERTED IN SUCH SUIT, ACTION OR PROCEEDING, WOULD BE WAIVED), AND (D) HAVE THE SAME CONSOLIDATED WITH ANY OTHER OR SEPARATE SUIT, ACTION OR PROCEEDING.

31. Independent Counsel. Seller and Purchaser each acknowledge that: (a) they have been represented by independent counsel in connection with this Agreement; (b) they have executed this Agreement with the advice of such counsel; and (c) this Agreement is the result of negotiations between the parties hereto and the advice and assistance of their respective counsel. The fact that this Agreement was prepared by Seller's counsel as a matter of convenience shall have no import or significance to the construction of this Agreement. Any uncertainty or ambiguity in this Agreement shall not be construed against Seller because Seller's counsel prepared this Agreement in its final form.

32. Non-Liability. Notwithstanding anything to the contrary contained in this Agreement, none of the Seller Related Parties shall have any personal obligation or liability hereunder, and Purchaser shall not seek to assert any claim or enforce any of its rights hereunder against any of the Seller Related Parties. Notwithstanding anything to the contrary contained in this Agreement, none of the Purchaser Related Parties shall have any personal obligation or liability hereunder, and Seller shall not seek to assert any claim or enforce any of its rights hereunder against any of the Purchaser Related Parties.

33. Intentionally omitted.

34. Like-kind Exchange. Purchaser and Seller each understand that the other party (or any of their affiliates) may consummate the purchase or sale of the Property as part of a so-called like-kind or tax-deferred exchange (the "Exchange") pursuant to Section 1031 of the Code and the Treasury Regulations thereunder, as well as pursuant to Revenue Procedure 2000-37, 2000-2 C.B. 38 (the "**Revenue Procedure**"), and that, notwithstanding anything hereunder to the contrary, each of Purchaser and Seller agrees to cooperate with the exchanging party in connection therewith (including, but not limited to, executing such documents, and acknowledging receipt thereof in writing, as the other party may reasonably request), provided that: (i) Seller shall effect the Exchange through an assignment of its rights, but not its obligations, under this Agreement to a "qualified intermediary" of Seller (within the meaning of, and as provided in, Treasury Regulations Section 1.1031(k)-1(g)(4)) ("**Seller Intermediary**") whereby the Seller Intermediary shall not be required to acquire or hold title to any real property for purposes of consummating the Exchange; (ii) Purchaser may effect its Exchange through either: (a) an assignment of its rights, but not its obligations, under this Agreement to a "qualified intermediary" (within the meaning of Treasury Regulations Section 1.1031(k)-1(g)(4)(iii) ("**Purchaser Intermediary**"), whereby the Purchaser Intermediary shall not be required to acquire or hold title to any real property for purposes of consummating the Exchange; and/or (b) any assignment referred to in clause (b) of Section 20; (iii) the exchanging party shall pay any additional costs that would not otherwise have been incurred by either party had the exchanging party not consummated the sale through the Exchange and (iv) the exchanging party shall, and hereby does, indemnify and hold the other party harmless from any loss, cost, damage, liability or expense which may arise or which the other party may suffer in connection with, an Exchange. Purchaser and Seller shall not by this Agreement or acquiescence to the Exchange by the other of them (1) have its rights under this Agreement affected or diminished in any manner or (2) be responsible for compliance with or be deemed to have warranted to the exchanging that the Exchange in fact complies with Section 1031 of the Code. The indemnification provisions set forth in this Section 34 shall survive the Closing.

35. Assumption of Existing Loan. (a) At Closing, Purchaser shall assume all indebtedness consisting of the outstanding principal balance of the Existing Indebtedness as of the Closing Date and all of Sellers' obligations under the Existing Loan Documents which arise from and after the Closing Date. Purchaser shall seek to obtain the written consent of Existing Lender to the transactions contemplated by this Agreement in a timely manner including, without limitation, as provided in this Section 35, which written consent shall contain a release by Existing Lender of Seller and of any guarantor from any and all liabilities and obligations under the Loan Documents from and after the Closing Date, in form and substance reasonably satisfactory to Seller and Lender shall consent to such modifications to the Existing Loan Documents as may be necessary in light of Purchaser's status as a subsidiary of a publicly traded company in order to not cause such status to constitute a default under the Existing Loan Documents ("**Lender's Consent**"). In the event Lender's Consent is not obtained by the date which is 5 business days prior to the Outside Closing Date, Seller may, at Seller's option, but with no obligation to do so (at Seller's sole expense), to the extent allowed by the Existing Lender, prepay the Existing Loan (along with any prepayment or other charges imposed by the Existing Lender) or cause the lien of the Existing Mortgagee to be removed of record against the Property at or prior to Closing, in which event Purchaser shall be required to close provided all of the other conditions in this Agreement are satisfied. Purchaser shall provide all other documentation required by Existing Lender as may be necessary to permit such assignment and assumption. Seller agrees to use commercially efforts, at no cost to Seller, in good faith, to cooperate with Purchaser in connection with Purchaser's efforts to obtain Lender's Consent. In the event that Existing Lender or the servicer acting on behalf of Existing Lender in connection with the Existing Financing ("**Servicer**") requires payment of a deposit or fee in connection with the submission of the request for Lender's Consent and/or the due diligence to obtain Lender's Consent, Purchaser and Seller shall each pay one-half of any such deposit or fee. Seller and Purchaser shall also share equally (i.e., 50/50) the assumption fee in connection with the assumption of the Existing Indebtedness as set forth in the Existing Loan Documents, provided however that each of Seller and Purchaser shall pay the legal fees and disbursements of their respective legal counsel. In the event that Purchaser is not approved by Existing Lender on or before May 25, 2007 (the "**Lender Consent Period**"), then Seller or Purchaser, shall have the right, upon written notice to the other, to extend the Lender Consent Period for such additional time as the party electing to so extend determines in its sole discretion, but in no event shall such additional period of time go beyond the date that is five (5) business days prior to the Outside Closing Date. Purchaser shall send to Seller copies of all correspondence and enclosures to or from Lender (i) within two (2) business days of Purchaser's receipt of same from Existing Lender and (ii) contemporaneously with Purchaser's delivery of same to Existing Lender. Nothing contained herein shall create, or be deemed to create, a mortgage or other contingency for the benefit of Purchaser.

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

SELLER:

500 WEST PUTNAM L.L.C.,
a Connecticut limited liability company

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

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

By: /s/ Mitchell E. Hersh
Mitchell E. Hersh

PURCHASER:

SLG 500 WEST PUTNAM LLC,
a Delaware limited liability company

By: /s/ Andrew Levine
Andrew Levine

[SIGNATURE PAGE CONTINUED ON FOLLOWING PAGE]

ESCROW AGENT:

SOLELY FOR THE PURPOSES OF
CONFIRMING THE PROVISIONS OF

ARTICLE 23:

LAWYERS TITLE INSURANCE CORPORATION

By: /s/ Craig S. Feder
Name: Craig S. Feder
Title: Vice President

Exhibit 31.1

MACK-CALI REALTY CORPORATION
Certification

I, Mitchell E. Hersh, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mack-Cali Realty Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2007

By: /s/ Mitchell E. Hersh
Mitchell E. Hersh
President and
Chief Executive Officer

Exhibit 31.2

MACK-CALI REALTY CORPORATION
Certification

I, Barry Lefkowitz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mack-Cali Realty Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2007

By: /s/ Barry Lefkowitz
Barry Lefkowitz
Executive Vice President and
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Mack-Cali Realty Corporation (the "Company") for the quarterly period ended March 31, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Mitchell E. Hersh, as President and Chief Executive Officer of the Company, and Barry Lefkowitz, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of §13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 2, 2007

By: /s/ Mitchell E. Hersh
Mitchell E. Hersh
President and
Chief Executive Officer

Date: May 2, 2007

By: /s/ Barry Lefkowitz
Barry Lefkowitz
Executive Vice President and
Chief Financial Officer

This certification accompanies each Report pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by §906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.