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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

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**FORM 8-K**

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

**Date of report (Date of earliest event reported): January 15, 2010**

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**MACK-CALI REALTY CORPORATION  
(Exact Name of Registrant as Specified in Charter)**

**Maryland  
(State or Other Jurisdiction  
of Incorporation)**

**1-13274  
(Commission File Number)**

**22-3305147  
(IRS 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)**

**MACK-CALI REALTY, L.P.  
(Exact Name of Registrant as Specified in Charter)**

**Delaware  
(State or Other Jurisdiction  
of Incorporation)**

**333-57103  
(Commission File Number)**

**22-3315804  
(IRS 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)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions ~~see~~ General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01                    Entry into a Material Definitive Agreement**

On January 15, 2010, Mack-Cali Realty, L.P. (the “Operating Partnership”) and certain of its operating subsidiaries, modified and extended their \$150 million portfolio mortgage loan (the “Modified Mortgage Loan”) with The Prudential Insurance Company of America (“Prudential”). In connection with the Modified Mortgage Loan, VPCM, LLC, a wholly-owned subsidiary of the Virginia Retirement System, joined Prudential as an additional lender under the Modified Mortgage Loan (collectively, the “Lenders”).

The Modified Mortgage Loan, which continues to be collateralized by seven properties with an aggregate of approximately 2.0 million net rentable square feet of office space, bears interest at a rate of 6.25% per annum and matures on January 15, 2017. For the initial 30 months of the Modified Mortgage Loan, monthly interest only payments will be \$781,250. Thereafter, combined monthly principal and interest payments under the Modified Mortgage Loan will be \$923,576.

The Modified Mortgage Loan is non-recourse to the Operating Partnership except for customary exceptions including but not limited to such matters as intentional misuse of funds, environmental conditions and material misrepresentations, and the Operating Partnership has agreed, subject to certain conditions, to guaranty repayment of up to \$61.1 million of the principal amount of the Modified Mortgage Loan.

**Item 2.03                    Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant**

See Item 1.01 above.

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**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Amended and Restated Master Loan Agreement dated as of January 15, 2010 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 and VPCM, LLC, as Lenders.
10.2	Partial Recourse Guaranty of Mack-Cali Realty, L.P. dated as of January 15, 2010 to The Prudential Insurance Company of America and VPCM, LLC.
10.3	Form of Amended, Restated and Consolidated Mortgage and Security Agreement and Financing Statement dated as of January 15, 2010 by Mack-Cali Realty, L.P., as Borrower, to The Prudential Insurance Company of America and VPCM, LLC, as Mortgagees with respect to each of the collateral properties.
10.4	Form of Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of The Prudential Insurance Company of America with respect to each of the collateral properties.
10.5	Form of Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of VPCM, LLC with respect to each of the collateral properties.
10.6	Form of Recourse Liabilities Guaranty dated January 15, 2010 of Mack-Cali Realty Corporation and Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to each of the collateral properties.
10.7	Form of Amended and Restated Irrevocable Cross Collateral Guaranty of Payment and Performance dated January 15, 2010 of the owners of the collateral properties to The Prudential Insurance Company of America and VPCM, LLC with respect to each of the collateral properties.
99.1	Press Release of Mack-Cali Realty Corporation dated January 19, 2010.

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**SIGNATURES**

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

**MACK-CALI REALTY CORPORATION**

Dated: January 22, 2010  
Roger W. Thomas

By: /s/ Roger W. Thomas  
Executive Vice President, General Counsel and Secretary

**MACK-CALI REALTY, L.P.**

By: Mack-Cali Realty Corporation,  
its general partner

Dated: January 22, 2010  
Roger W. Thomas

By: /s/ Roger W. Thomas  
Executive Vice President, General Counsel and Secretary

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## EXHIBIT INDEX

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**AMENDED AND RESTATED  
MASTER LOAN AGREEMENT**

among

**MACK-CALI REALTY, L.P.**, a Delaware limited partnership, and **AFFILIATES OF MACK-CALI REALTY CORPORATION**, a Maryland corporation, and **MACK-CALI REALTY, L.P.**, a Delaware limited partnership, as listed on Exhibit A hereto, collectively, as Borrowers

and

**MACK-CALI REALTY CORPORATION**, a Maryland corporation, and **MACK-CALI REALTY, L.P.**, a Delaware limited partnership, as Guarantors

and

**THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, and **VPCM, LLC**, as Lender

Dated as of January 15, 2010

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**AMENDED AND RESTATED MASTER LOAN AGREEMENT**

**THIS AMENDED AND RESTATED MASTER LOAN AGREEMENT** is made as of January 15, 2010, by and among **MACK-CALI REALTY, L.P.**, a Delaware limited partnership (“MCRLP”), and **AFFILIATES OF MACK-CALI REALTY CORPORATION**, a Maryland corporation, and **MACK-CALI REALTY, L.P.**, a Delaware limited partnership, as listed on **Exhibit A** hereto (individually, a “Borrower” and collectively, “Borrowers”), **MACK-CALI REALTY CORPORATION**, a Maryland corporation (“MCRC”), and **MACK-CALI REALTY, L.P.**, a Delaware limited partnership (individually and collectively, “Guarantor”), and **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation (“Prudential”), and **VPCM, LLC**, a Virginia limited liability company (“VPCM”) (collectively, “Lender”).

**RECITALS:**

**WHEREAS**, Prudential, and Guarantor, Borrowers and affiliates of Borrowers entered into that certain Amended and Restated Master Loan Agreement dated as of November 12, 2004 (the “Existing Loan Agreement”) relating to certain cross-collateralized and cross-defaulted loans in the aggregate original principal amount of \$150,000,000.00 (the “Existing 2004 Loans”); and

**WHEREAS**, as of the date hereof, Prudential has assigned to VPCM a one half interest in and to the Existing 2004 Loans; and

**WHEREAS**, by that certain First Mortgage Loan Application Nos. 706 108 235 - 706 108 241, dated January 13, 2010 (the “Application”), Borrowers and Guarantor collectively have applied for the extension of those certain loans under the Existing Loan Agreement consisting of seven (7) individual loans (collectively, the “Loan”) in the aggregate loan amount of \$150,000,000.00 (the “Aggregate Loan Amount”); and

**WHEREAS**, Lender, by that certain Loan Commitment Letter dated January \_\_, 2010 (the “Commitment”), has committed to provide the extension of such financing in accordance with the Application; and

**WHEREAS**, the Loan is, pursuant to the terms of the Application, divided into seven (7) individual loans comprised of the Existing 2004 Loans as amended hereby (each, sometimes herein referred to as an “Individual Loan and collectively as the “Individual Loans”), to be made by Lender each in the amounts set forth on **Exhibit B** attached hereto and made a part hereof; and

**WHEREAS**, as set forth on **Exhibit B** attached hereto and made a part hereof, the existing loan amounts of the Existing 2004 Loans are reallocated among the cross-defaulted and cross-collateralized Existing 2004 Loans, with a reallocation of loan amounts among the new Individual Loans representing additional advances to certain Borrowers and corresponding reductions of loan amounts to other Borrowers, resulting in the new loan amounts for the Individual Loans as set forth on **Exhibit B** attached hereto; and

**WHEREAS**, notwithstanding the division of the Loan into seven (7) Individual Loans, certain terms, conditions and provisions of the Application and with respect to the Individual Loans relate to all of the Individual Loans in the aggregate, and the relationship of all of the Individual Loans to each other, including, but not limited to, provisions relating to cross-default between the Loans, cross-collateral issues relating to certain of the Loans, release provisions (including restrictions thereon and the requirement of repayment of Loan amounts outstanding in excess of Individual Loan amounts in the event release of an Individual Property is permitted), guaranty provisions and loan administration provisions (such terms are herein referred to as the “Master Loan Terms”); and

**WHEREAS**, all of the Borrowers are Affiliates of each other and Guarantors are the sole beneficial owners of each Borrower which is not also a Guarantor; and

**WHEREAS**, the Loan is to be secured by the Properties (as hereinafter defined) listed on **Exhibit A** attached hereto; and

**WHEREAS**, notwithstanding that the Loan is divided into seven (7) Individual Loans, Borrowers and Guarantor acknowledge that Lender would not make any of the Individual Loans, or less than all of the Individual Loans, pursuant to the provisions in the Application relating to the Individual Loans, without making all seven (7) Individual Loans in compliance with the terms of the Application and except in accordance with all the provisions set forth in this Agreement; and

**WHEREAS**, Borrowers acknowledge that the provisions set forth in this Agreement and otherwise set forth in the Loan Documents relating to cross-default, cross-collateralization and the other Master Loan Terms have resulted in more favorable economic terms for each Individual Loan to each individual Borrower, and that each Borrower would be unable to receive financing in the amount, or at the interest rate provided in the Notes, or otherwise under more favorable terms, than those set forth herein and, therefore, there exists direct and valuable consideration for each Borrower’s consent and agreement to the terms and provisions hereof; and

**WHEREAS**, Borrowers, Guarantor and Lender hereby wish to set forth certain agreements with respect to the Loan and the relationship between the Individual Loans, and to amend and restate the Existing Loan Agreement in its entirety.

#### **AGREEMENTS**

**NOW, THEREFORE**, Borrowers and Guarantor, in consideration of the matters described in the foregoing Recitals, which Recitals are incorporated herein and made a part hereof, and for other good and valuable consideration, hereby agree as follows:

**Section 1. DEFINITIONS AND RULES OF INTERPRETATION.**

The following terms shall have the meanings set forth in this Section 1 or elsewhere in the provisions of this Agreement referred to below:

**“Affiliate”** means, with respect to any Person (as hereinafter defined), (1) any other Person (as hereinafter defined) directly or indirectly controlling, controlled by or under common control with another Person, (2) any officer, director, partner or trustee of such Person, or in any joint venture or other business association with such Person, and (3) if such other Person is an officer, director, partner, trustee, joint venturer or business associate, any other Person for which such Person acts in any such capacity or who directs or controls the actions of such Person in such capacity. The term “control” as used in this definition shall include, as to any Person, the ownership of ten percent (10%) or more of the legal or beneficial interest in such Person or the power to direct the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise.

**“Agreement”** means this Amended and Restated Master Loan Agreement, including the Exhibits hereto.

**“Application”** is defined in the recitals hereto.

**“Assignment of Rents”** or **“Assignments of Rents”** means the Amended and Restated Assignments of Rents and Leases of even date herewith from Borrowers to Lender pursuant to which Borrowers have assigned the Leases and Rents as described therein.

**“Borrowers”** means the Borrowers listed on Exhibit A attached hereto and made a part hereof (and **“Borrower”** means any one of the Borrowers listed thereon).

**“Business Day”** means any day which is not a Saturday, Sunday, or federal legal holiday, and on which banking institutions in Newark, New Jersey are open for the transaction of business.

**“Cash Management Agreement”** means the Cash Management Agreements of even date herewith between Borrowers and Lender.

**“Clearing Bank Deposit Account Control Agreement”** means the Clearing Bank Deposit Account Control Agreements of even date herewith between Borrowers and Lender and Bank of America, N.A.

**“Collateral”** means all of the property, rights and interests of Borrower which are or are intended to be subject to the security interests, liens and mortgages created by the Security Documents.

**“Commitment”** is defined in the recitals hereto.

“**Covenant Breach**” is defined in the Section 3.3 hereof.

“**Credit Agreement**” is defined in Section 7.

“**Cross Collateral Guaranties**” means those certain Amended and Restated Irrevocable Cross Collateral Guaranties of Payment of even date herewith executed by each Borrower.

“**Debt Service Coverage**” means the ratio, as reasonably determined by Lender in its sole discretion, calculated by dividing (i) NOI by (ii) TADS.

“**Dollars or \$**” means dollars in lawful currency of the United States of America.

“**Event of Default**” is defined in Section 9.

“**First Mortgage**” or “**First Mortgages**” means the first priority mortgages from Borrowers to Lender pursuant to which Borrowers have conveyed the Properties as security for certain of the Obligations, namely, for each Individual Property, Borrower has conveyed to Lender a first priority Amended, Restated and Consolidated Mortgage and Security Agreement which secures the Note applicable to such Individual Property.

“**Guarantor**” is defined in the preamble hereto.

“**Guaranties**” means the Recourse Carveout Guaranty and the Cross Collateral Guaranties.

“**Individual Loans**” is defined in the recitals hereto.

“**Individual Property**” means any one of the office projects and all Collateral associated therewith as described on Exhibit A.

“**Limited Guaranties**” means each of the Supplemental Guaranty Agreements executed and delivered by the individuals and entities identified to Lender as of the date hereof, and from time to time thereafter, by Mack-Cali Realty, L.P. (collectively the “Limited Guarantors”), none of whom or which at any time shall be an owner or ground lessee of any of the Properties (or of interests in any Borrower, except by virtue of ownership of units of Mack-Cali Realty, L.P.), which Limited Guarantors shall severally guarantee such portions of the Individual Loans as is set forth in each Limited Guaranty entered into as of the Closing Date and from time to time thereafter by each Limited Guarantor in favor of the Lender as any of such loans or the Loan shall be amended, supplemented, modified or restated (collectively, the “Limited Guaranties”). Notwithstanding anything herein to the contrary, the Limited Guaranties may be amended, supplemented, modified, restated or terminated and the identity of the Limited Guarantors may be changed by Mack-Cali Realty, L.P. upon written notice to Lender.

“**Leases**” means, collectively, all present and future leases, licenses, and other agreements for the occupancy of any spaces or areas within the buildings, structures and improvements located in or on the Properties (or, as applicable, an Individual Property) which may be in effect from time to time, and all amendments, modifications, extensions, renewals, and assignments of any of the foregoing.

**“Loan”** means the aggregate \$150,000,000.00 loan to Borrower made by Lender hereunder in the form of the seven (7) Individual Loans to the applicable Borrowers and evidenced by the Loan Documents.

**“Loan to Value Ratio”** means the ratio, as determined by Lender in its sole discretion, of (A) the aggregate principal balance of all encumbrances against the Properties (or, as applicable, an Individual Property) to (B) the fair market value of the Properties (or, as applicable, such Individual Property).

**“Loan Documents”** means this Agreement, the Notes, the Security Documents, the Guaranties, the Limited Guaranties and all other documents, instruments or agreements executed or delivered by or on behalf of Borrower or the Guarantors in connection with the Loan.

**“Master Loan Terms”** is defined in the recitals hereto.

**“Maturity Date”** means January 15, 2017.

**“Mortgage”** or **“Mortgages”** means the First Mortgages and the Second Mortgages.

**“New Cingular Wireless”** means New Cingular Wireless PCS, LLC, the sole tenant of the Individual Property known as Mack-Cali Centre VII and the tenant of 52% of the space in Mack-Cali Centre III.

**“New Cingular Wireless Full Release Rental”** means a minimum rental rate of not less than \$10.00 per square foot on an annual basis on a Triple Net Rent Basis.

**“New Cingular Wireless Half Release Rental”** means a minimum rental rate of not less than \$8.00 per square foot on an annual basis on a Triple Net Rent Basis, but less than the New Cingular Wireless Full Release Rental.

**“New Cingular Wireless Lease”** means the lease or leases to New Cingular Wireless of the New Cingular Wireless Space in Mack-Cali Centre VII and Mack-Cali Centre III.

**“New Cingular Wireless Renewal”** means that certain renewal option (that is effective as of January 1, 2014) in accordance with the provisions of the New Cingular Wireless Lease with a minimum five year extended term at the rental rates specified in the renewal option of the New Cingular Wireless Lease.

**“New Cingular Wireless Renewal Documents”** means (a) a certification from the applicable Borrower to Lender, certifying that New Cingular Wireless has exercised its renewal option in accordance with the provisions of the New Cingular Wireless Lease and that the New Cingular Wireless Lease as so renewed is in full force and effect, along with (b) a copy of the renewal notice fully executed by New Cingular Wireless and (c) an estoppel certificate from New Cingular Wireless in the form required by Lender in connection with closing of the Loan, but subject to requirements of the New Cingular Wireless Lease, which estoppel certificate may not disclose, and there may not exist any as of the date of, any uncured defaults on the part of Borrower or New Cingular Wireless with respect to the New Cingular Wireless Lease; all in form and substance reasonably acceptable to Lender.

“**New Cingular Wireless Replacement Lease**” is defined in Section 3.4(d).

“**New Cingular Wireless Replacement Lease Requirements**” is defined in Section 3.4(d).

“**New Cingular Wireless Space**” means the leasable area in the Individual Property known as Mack-Cali Centre VII and 52% of the space in Mack-Cali Centre III.

“**NOI**” means the gross annual income realized from operations of the Properties (or, as applicable, an Individual Property) for both the preceding and subsequent twelve (12) month period after subtracting all necessary and ordinary operating expenses (both fixed and variable) for both the preceding and subsequent twelve (12) month period and applied to the applicable NOI covenants for each period (assuming for expense purposes only that the Properties or such Individual Property is 95% leased and occupied if actual leasing is less than 95%), including, without limitation, utilities, administrative, cleaning, landscaping, security, repairs, and maintenance, ground rent payments, management fee of no more than 4.00% of gross income, and a reserve for replacement allowance of no less than \$0.20 psf, real estate and other taxes, assessments, insurance and ground lease payments, but excluding deduction for federal, state and other income taxes, debt service expense, depreciation or amortization of capital expenditures, and other similar non-cash items. Gross income shall not be anticipated for any greater time period than that projected for leases in place and ordinary operating expenses shall not be prepaid. Documentation of NOI and expenses shall be certified by an officer of Borrower with detail satisfactory to Lender and shall be subject to the approval of Lender.

“**Notes**” means the Amended, Restated and Consolidated Promissory Notes to be executed by applicable Borrowers in favor of Lender in the amounts set forth in Exhibit B.

“**Obligations**” means all indebtedness, obligations and liabilities of Borrowers to Lender, individually or collectively, under this Agreement or any of the other Loan Documents or in respect of the Loan or the Notes, or other instruments at any time evidencing any of the foregoing, together with all renewals, extensions and modifications of the foregoing, whether existing on the date of this Agreement or arising or incurred hereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise.

“**Old Security**” is defined in Section 6.

**“Parent”** is defined in Section 6(b).

**“Partial Recourse Guaranty”** means that certain Partial Recourse Guaranty (Prentice Hall Space and New Cingular Wireless Space) from MCRLP of even date herewith.

**“Person”** or **“person”** means any individual, general partnership, limited partnership, corporation, trust, limited liability company, joint venture, unincorporated association, political subdivision or governmental or quasi-governmental agency, or any other entity recognized as legally distinct for any purpose.

**“Prentice Hall”** means Prentice Hall, Inc., the sole tenant of the Individual Property known as Mack-Cali Saddle River.

**“Prentice Hall Full Release Rental”** means a minimum rental rate of not less than \$12.00 per square foot on an annual basis on a Triple Net Rent Basis.

**“Prentice Hall Half Release Rental”** means a minimum rental rate of not less than \$9.00 per square foot on an annual basis on a Triple Net Rent Basis, but less than the Prentice Hall Full Release Rental.

**“Prentice Hall Lease”** means the lease to Prentice Hall of the Prentice Hall Space.

**“Prentice Hall Renewal”** means that certain renewal option (that is effective as of January 1, 2015) in accordance with the provisions of the Prentice Hall Lease with a minimum five year extended term at the rental rates specified in the renewal option of the Prentice Hall Lease.

**“Prentice Hall Renewal Documents”** means (a) a certification from the applicable Borrower to Lender, certifying that Prentice Hall has exercised its renewal option in accordance with the provisions of the Prentice Hall Lease and that the Prentice Hall Lease as so renewed is in full force and effect, along with (b) a copy of the renewal notice fully executed by Prentice Hall and (c) an estoppel certificate from Prentice Hall in the form required by Lender in connection with closing of the Loan, but subject to requirements of the Prentice Hall Lease, which estoppel certificate may not disclose, and there may not exist any as of the date of, any uncured defaults on the part of Borrower or Prentice Hall with respect to the Prentice Hall Lease; all in form and substance reasonably acceptable to Lender.

**“Prentice Hall Replacement Lease”** is defined in Section 3.4(c).

**“Prentice Hall Replacement Lease Requirements”** is defined in Section 3.4(c).

**“Prentice Hall Space”** means the leasable area in the Individual Property known as Mack-Cali Saddle River.

**“Prepayment Premium”** means the Prepayment Premium as defined in each Note.

**“Properties”** means, collectively, all of the Individual Properties (the office projects and all Collateral associated therewith as described on Exhibit A).

**“Real Estate Security”** means “Properties” or “Individual Property”, as the context may require.

**“Recourse Carveout Guaranty”** means that certain Amended and Restated Irrevocable Guaranty of Payment and Performance (Recourse Carveout Items) executed by Guarantor with respect to all of the Loans.

**“Release”** and **“Releases”** a release or releases of Properties from the applicable Mortgage or Mortgages in the manner and upon compliance with the requirements, terms and conditions set forth in Section 5.

**“Release Property”** is defined in Section 5.

**“Release Price”** is defined in Section 5.

**“Rent Roll”** means a report prepared by Borrower which lists all leases affecting the Premises which are in full force and effect, and all other matters described on the rent roll attached hereto as Exhibit C.

**“Second Mortgage”** or **“Second Mortgages”** means the second priority mortgages from Borrowers to Lender pursuant to which Borrowers have conveyed the Properties as security for certain of the Obligations, namely, for each Individual Property, Borrower has conveyed to Lender a second priority Amended, Restated and Consolidated Second Priority Mortgage and Security Agreement (Subordinate Mortgage to Secure Cross Collateral Guaranty) which secures the Cross-Collateral Guaranty and the notes referenced therein and guaranteed thereby (exclusive of the Note applicable to such Individual Property).

**“Security Documents”** means the Mortgages, the Assignments of Rents, and any other documents securing the Loans, including, without limitation, UCC-1 financing statements executed and delivered in connection therewith.

**“State”** means a state of the United States of America.

**“Substitute Collateral”** is defined in Section 6.

**“Substitute Collateral Owner”** is defined in Section 6(b).

**“Substitution”** a substitution or substitutions of collateral in the manner and upon compliance with the requirements, terms and conditions set forth in Section 5.



“TADS” means the aggregate debt service payments for the given twelve (12) month period on the Loan in which the calculation of NOI is being made.

“Tenants” means, collectively, the persons (other than Borrower or its predecessors in interest) who are parties to any one or more Leases.

“Tied Properties” is defined in Section 5(i) below (Individual Properties known as Mack-Cali Centre VII, Mack-Cali Centre III and Mack-Cali Centre II).

“Trigger Events” shall include any of the following: (a) a default under the Loan Documents, or (b) if Borrower does not deliver to Lender or does not maintain and renew the letter of credit (or cash deposit) as required by the provisions of Section 3.

“Triple Net Rent Basis” shall mean lease rental payments whereby a tenant makes both monthly base rental payments to the landlord and the tenant is responsible, in addition, to pay for all taxes, insurance, utilities, operating and maintenance costs. If, for the purposes of the Loan, the rental under a lease is on another basis (such as a gross rental basis whereby the landlord pays such costs), then the required annual rental threshold for such lease must be “grossed up” to achieve the necessary annual rental threshold on a Triple Net Rent Basis, after payment of all expenses as aforesaid. The parties agree to cooperate and act reasonably in calculating any gross up required if the renewal is on a gross basis: for example, for a lease that requires \$12 per square foot on a Triple Net Rent Basis, with monthly payments, and with the tenant to pay for all taxes, insurance, utilities, operating and maintenance costs, if those “taxes, insurance, utilities, operating and maintenance costs” equal \$2 psf annually, then the “gross rent” would need to be \$14, so that the landlord could pay the \$2 in expenses, and net the \$12 in rent on a Triple Net Rent Basis. For determination of the rental amount per square foot on an annual basis, a lease shall be analyzed and averaged based on the total base rental payments due over the currently effective term of the applicable lease (not including unexercised extensions or renewals, or any portion of a rental term after a termination option) less concessions (free rent and any other discount, concession, payment, gift, allowance, payment or contribution), in order to reflect the average effective rent paid and received over the term of the lease (the entire term of occupancy, including free rent periods; initial construction periods would not be included in the calculation of the term of occupancy of a lease for calculation of the term of the lease or the averaging of the rentals over such term). For example, if a 25,000 square foot lease with a five year term provides for rent as follows: during year one of \$11.75 per square foot (with two month’s free rent), during year two of \$12.00 per square foot (with no free rent), during year three of \$12.25 per square foot (with no free rent), during year four of \$12.50 per square foot (with no free rent), and during year five of \$12.75 per square foot (with one month’s free rent), the total rent paid of \$1,455,729.17 divided by 5 years equals \$291,145.83 or \$11.65 per square foot.

**Section 2. THE LOANS.**

**Section 2.1.** Notes. The Loan shall be evidenced by Notes, each dated as of the date hereof, payable to the order of Lender, as set out on Exhibit B attached hereto.

**Section 2.2.** **Interest on Loan.** The Loan shall bear interest and be payable as set forth in the Notes.

**Section 2.3.** **Parties Liable for Repayment.** Each Borrower shall be liable for repayment of each Note executed by such Borrower in accordance with the terms of each such Note and subject to all of the conditions and limitations therein set forth. In addition, Guarantor shall be liable for repayment of the Loan and the Notes as and to the extent set forth in the Recourse Carveout Guaranty, subject to all of the conditions and limitations therein set forth.

**Section 2.4.** **Cross Collateral Provisions.** Each Borrower and Guarantor shall also be liable for repayment of each other Note executed by each other Borrower in accordance with the terms of each Cross Collateral Guaranty executed by each Borrower, subject to all of the conditions and limitations therein set forth. Each First Mortgage secures each Note executed by the Borrower executing such Mortgage, and, in addition, to evidence the “cross-collateralization” of each Mortgage and each Individual Loan, each Second Mortgage executed by a Borrower also secures the Cross Collateral Guaranty executed by such Borrower.

**Section 2.5.** **Cross Default.** All of the Mortgages and other Loan Documents shall be and are hereby cross-defaulted between each other and between each Individual Loan, so that an Event of Default under any one Individual Loan shall constitute an Event of Default under all Individual Loans.

**Section 2.6.** **Post Closing Undertakings.** Guarantor and each of the applicable Borrowers shall commence and complete the Post Closing Undertakings listed on **Exhibit D** attached hereto and made a part hereof, such undertakings to be completed on or before such date as may be listed thereon.

**Section 2.7.** **Recourse Provisions.** Borrowers’ and Guarantor’s liability under the Loan and the Loan Documents shall be limited as set forth in Paragraph 8 and Paragraph 9 of the Notes (and the liability under the Cross Collateral Guaranties shall be limited as therein set forth or incorporated by reference), all of which terms and provisions of such documents are incorporated herein by this reference. Notwithstanding the foregoing, Borrower and MCRLP shall each be liable for the “Recourse Guaranteed Amount”, if any, as such term is defined in the Partial Recourse Guaranty. Borrower and MCRLP acknowledge and agree that the Partial Recourse Guaranty and the recourse liability for the Recourse Guaranteed Amount, and each of the terms set forth above, have been reviewed and approved as acceptable to Borrower and MCRLP with respect to the risk that either Prentice Hall fails to exercise the Prentice Hall Renewal or New Cingular Wireless fails to exercise the New Cingular Wireless Renewal, and that the terms of the Partial Recourse Guaranty are not, and are not to be construed in any manner as, any penalty or punishment, but as fair and reasonable terms to address the risk of such occurrences (which risks are difficult to ascertain), and as the valid and binding contractual agreement of Borrower and MCRLP with Lender regarding the recourse liability of Borrower and MCRLP in the event of such occurrence, in consideration of which the extension of the Loan on the terms set forth herein is based.

**Section 2.8.** **Co-Lending.** Lender collectively hereby advises Borrower that they have appointed Prudential Mortgage Capital Company (“PMCC”) as their agent (the single agent for each of Prudential and VPCM) for administration and servicing of this Loan as of the date hereof, with Prudential Asset Resources, Inc. (“PAR”) acting as the subservicer for PMCC (and, accordingly, the single sub-servicer for each of Prudential and VPCM), subject to the rights of the Lender to change the servicing of the Loan. In any event, Lender shall appoint one single servicer (or shall designate one of the entities comprising Lender to act as servicer) for all holders of the Loan (but without limiting the right to require that all servicing deliveries be sent to all Lender parties for review simultaneously), and, as set forth above, such servicer may be a sub-servicer of the agent for the Lenders (such party is herein referred to as the “Single Servicer”). Subject to the right to replace the Single Servicer, Borrower shall be entitled to rely on consents, approvals, modifications and agreements (“Approvals”) from the Single Servicer as if such Approvals have been issued by Lender, and such Approvals from the Single Servicer shall be deemed to be made by and binding upon Lender.

**Section 2.9.** **Confidentiality (Loan Sales).** With respect to Lender’s rights to sell, transfer or assign the Loan and Loan Documents or an interest therein, Lender agrees with Borrower that, so long as no Event of Default (or event which with the passage of time or the giving of notice or both would be an Event of Default) has occurred and is continuing, before disclosing any documents and information relating to the Loan to any proposed purchaser, transferee or assignee, Lender shall first impose upon, or secure from, such proposed purchasers, transferees or assignees, an agreement of confidentiality with respect to any such disclosed documents and information not already publicly available, such obligation to survive not less than a year from disclosure.

**Section 2.10.** **Lender Transferees.** The following capitalized terms used in this Section 2.9 shall have the following definitions:

“**Controlled Affiliate**” with respect to any specified Person, any other Person controlling, controlled by or under common control with such Person, where “control” means (a) the ownership, directly or indirectly, in the aggregate of more than fifty percent (50%) of the beneficial ownership interests of such Person, and (b) the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise. Notwithstanding the foregoing, Prudential Financial, Inc. or any Affiliate thereof, shall be deemed to be a Controlled Affiliate of Prudential.

“**Eligibility Requirements**” means, with respect to any Person, that such Person (a) has in its current fiscal year an asset base of at least \$300,000,000.00 (in name or under management) and (except with respect to a pension advisory firm or similar fiduciary) a net worth of at least \$30,000,000.00, and (b) has had in each of its three immediately preceding fiscal years an asset base of at least \$300,000,000.00 (in name or under management) and (except with respect to a pension advisory firm or similar fiduciary) a net worth of at least \$30,000,000.00 (asset base and net worth in all cases to be determined in accordance with generally accepted accounting principles, consistently applied).

**“Permitted Fund Manager”** shall mean any Person that on the date of determination is (i) (A) a Qualified Institutional Lender or (B) any other nationally-recognized manager of investment funds investing in debt or equity interests relating to commercial real estate, (ii) investing through a fund with committed capital of at least \$250,000,000 and (iii) not subject to a proceeding relating to the bankruptcy, insolvency, reorganization or relief of debtors.

**“Qualified Institutional Lender”** shall mean Prudential and VPCM and the following:

- (a) a Controlled Affiliate of Prudential or VPCM, or
- (b) one or more of the following:
  - (i) an insurance company, bank, savings and loan association, investment bank, trust company, commercial credit corporation, pension plan, pension fund, mutual fund, real estate investment trust, governmental entity or plan, or “Qualified Institutional Buyer” as defined in Rule 144(A) of the United States Securities and Exchange Commission, provided that any such Person referred to in this clause (i) satisfies the Eligibility Requirements; or
  - (ii) an investment fund, limited liability company, limited partnership or general partnership in which a Permitted Fund Manager acts as the general partner, managing member, or the fund manager responsible for the day to day management and operation of such investment vehicle and provided that at least 75% of the equity interests in such investment vehicle are owned, directly or indirectly, by one or more entities that are otherwise Qualified Institutional Lenders; or
  - (iii) any Qualified Institutional Lender that is acting in an agency capacity for a syndicate of no more than three lenders, provided 100% of the committed loan amounts or outstanding loan balance are owned by lenders in the syndicate that are Qualified Institutional Lenders; or
  - (iv) an institution substantially similar to any of the foregoing entities described in clauses (i), (ii) or (iii) that satisfies the Eligibility Requirements; or
- (c) any Controlled Affiliate of any of the entities described in clause (b) above.

With respect to Lender’s rights to sell, transfer or assign the Loan and Loan Documents, Lender agrees with Borrower that, so long as no Event of Default (or event which with the passage of time or the giving of notice or both would be an Event of Default) has occurred and is continuing, any purchaser from, or transferee or assignee of, Lender shall be a Qualified Institutional Lender. In addition, any Lender may pledge (a “Pledge”) its rights to the Loan and Loan Documents to any entity which has extended a credit facility to such Lender and that is a Qualified Institutional Lender (any such entity, a “Note Pledgee”), and Note Pledgee shall be permitted to exercise fully its rights and remedies against the pledging Lender (and accept an assignment in lieu of foreclosure as to such collateral), in accordance with applicable law and this Agreement. Nothing set forth herein shall alter or impair the existing rights of Lender to grant or issue Securities (as defined in the Mortgage).

**Section 3. FINANCIAL COVENANTS AND LETTER OF CREDIT.**

**Section 3.1. Financial Covenant Definitions.** All capitalized terms used in this Section 3 shall have the following definitions, except as otherwise expressly provided for or unless the context otherwise requires:

**“Acquired Indebtedness”** means Indebtedness of a Person (i) existing at the time such Person becomes a Subsidiary or (ii) assumed in connection with the acquisition of assets from such Person, in each case, other than Indebtedness incurred in connection with, or in contemplation of, such Person becoming a Subsidiary or such acquisition. Acquired Indebtedness shall be deemed to be incurred on the date of the related acquisition of assets from any Person or the date the acquired Person becomes a Subsidiary.

**“Annual Service Charge”** for any period means the aggregate interest expense for such period in respect of, and the amortization during such period of any original issue discount of, Indebtedness of the Guarantor and its Subsidiaries.

**“Commission”** means the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, or, if at any time after execution of this instrument such commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties on such date.

**“Consolidated Income Available for Debt Service”** for any period means Earnings from Operations of the Guarantor and its Subsidiaries plus amounts which have been deducted, and minus amounts which have been added, for the following (without duplication): (i) interest on Indebtedness of the Guarantor and its Subsidiaries, (ii) provision for taxes of the Guarantor and its Subsidiaries based on income, (iii) amortization of debt discount and deferred financing costs, (iv) provisions for gains and losses on properties and depreciation and amortization, (v) increases in deferred taxes and other non-cash items, (vi) depreciation and amortization with respect to interests in joint venture and partially owned entity investments, (vii) the effect of any charge resulting from a change in accounting principles in determining Earnings from Operations for such period, and (viii) amortization of deferred charges.

**“Earnings from Operations”** for any period means net income excluding provisions for gains and losses on sales of investments or joint ventures, extraordinary and non-recurring items, and property valuation losses, as reflected in the consolidated financial statements of the Guarantor and its Subsidiaries for such period determined in accordance with GAAP.

**“Encumbrance”** means any mortgage, lien, charge, pledge or security interest of any kind.

**“GAAP”** means generally accepted accounting principles as used in the United States applied on a consistent basis as in effect on December 31, 2008; provided that solely for purposes of any calculation required by the financial covenants contained herein, “GAAP” shall mean generally accepted accounting principles as used in the United States on the date hereof, applied on a consistent basis.

**“Guarantor”** shall mean Mack-Cali Realty, L.P., a Delaware limited partnership.

**“Indebtedness”** of the Guarantor or any Subsidiary means, without duplication, any indebtedness of the Guarantor or any Subsidiary, whether or not contingent, in respect of: (i) borrowed money or evidenced by bonds, notes, debentures or similar instruments whether or not such indebtedness is secured by any Encumbrance existing on property owned by the Guarantor or any Subsidiary, (ii) indebtedness for borrowed money of a Person other than the Guarantor or a Subsidiary which is secured by any Encumbrance existing on property owned by the Guarantor or any Subsidiary, to the extent of the lesser of (x) the amount of indebtedness so secured and (y) the fair market value of the property subject to such Encumbrance, (iii) the reimbursement obligations, contingent or otherwise, in connection with any letters of credit actually issued or amounts representing the balance deferred and unpaid of the purchase price of any property or services, except any such balance that constitutes an accrued expense or trade payable, or (iv) any lease of property by the Guarantor or any Subsidiary as lessee which is reflected on the Guarantor’s consolidated balance sheet as a capitalized lease in accordance with GAAP; and also includes, to the extent not otherwise included, any obligation by the Guarantor or any Subsidiary to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), Indebtedness of another Person (other than the Guarantor or any Subsidiary; it being understood that Indebtedness shall be deemed to be incurred by the Guarantor or any Subsidiary whenever the Guarantor or such Subsidiary shall create, assume, guarantee or otherwise become liable in respect thereof; Indebtedness of a Subsidiary of the Guarantor existing prior to the time it became a Subsidiary of the Guarantor shall be deemed to be incurred upon such Subsidiary’s becoming a Subsidiary of the Guarantor; and Indebtedness of a person existing prior to a merger or consolidation of such person with the Guarantor or any Subsidiary of the Guarantor in which such person is the successor to the Guarantor or such Subsidiary shall be deemed to be incurred upon the consummation of such merger or consolidation; provided, however, the term “Indebtedness” shall not include any such indebtedness that has been the subject of an “in substance” defeasance in accordance with GAAP).

**“Intercompany Indebtedness”** means Indebtedness to which the only parties are Borrower, Guarantor, and any Subsidiary (but only so long as such Indebtedness is held solely by any of Borrower, Guarantor, and any Subsidiary) that is subordinate in right of payment under the Note.

**“Person”** means any individual, corporation, partnership, limited liability company, limited partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

**“Subsidiary”** means, with respect to any Person, any corporation or other entity of which a majority of the voting power of the voting equity securities or the outstanding equity interests of which are owned, directly or indirectly, by such Person. For the purposes of this definition, “voting equity securities” means equity securities having voting power for the election of directors, whether at all times or only so long as no senior class of security has such voting power by reason of any contingency.

**“Total Assets”** as of any date means the sum of (i) the Undepreciated Real Estate Assets and (ii) all other assets of the Guarantor and its Subsidiaries determined in accordance with GAAP (but excluding accounts receivable and intangibles).

**“Total Unencumbered Assets”** means the sum of (i) those Undepreciated Real Estate Assets not subject to an Encumbrance for borrowed money and (ii) all other assets of the Guarantor and its Subsidiaries not subject to an Encumbrance for borrowed money, determined in accordance with GAAP (but excluding accounts receivable and intangibles).

**“Undepreciated Real Estate Assets”** as of any date means the cost (original cost plus capital improvements) of real estate assets of the Guarantor and its Subsidiaries on such date, before depreciation and amortization, determined on a consolidated basis in accordance with GAAP.

**“Unsecured Indebtedness”** means Indebtedness which is not secured by any Encumbrance upon any of the properties of the Guarantor or any Subsidiary.

**Section 3.2. Financial Covenants.** Borrowers and Guarantor covenant and agree with Lender as follows:

- (i) The Guarantor will not incur, and will not permit any Subsidiary to incur, any Indebtedness, other than Intercompany Indebtedness, if, immediately after giving effect to the incurrence of such additional Indebtedness and the application of the proceeds thereof, the aggregate principal amount of all outstanding Indebtedness of the Guarantor and its Subsidiaries on a consolidated basis determined in accordance with GAAP is greater than 60% of the sum of (without duplication) (A) the Total Assets of the Guarantor and its Subsidiaries as of the end of the calendar quarter covered in the Guarantor’s Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as the case may be, most recently filed with the Commission, prior to the incurrence of such additional Indebtedness, and (B) the purchase price of any assets included in the definition of Total Assets acquired, and (C) the amount of any securities offering proceeds received (to the extent such proceeds were not used to acquire items included in the definition of Total Assets or used to reduce indebtedness), by the Guarantor or any Subsidiary since the end of such calendar quarter, including those proceeds obtained in connection with the incurrence of such additional Indebtedness.

- (ii) In addition to the limitation set forth in subsection (i) of this Section, the Guarantor will not, and will not permit any Subsidiary to, incur any Indebtedness if the ratio of Consolidated Income Available for Debt Service to the Annual Service Charge for the four consecutive fiscal quarters most recently ended prior to the date on which such additional Indebtedness is to be incurred shall have been less than 1.5:1, on a PRO FORMA basis after giving effect thereto and to the application of the proceeds therefrom, and calculated on the assumption that (A) such Indebtedness and any other Indebtedness incurred by the Guarantor and its Subsidiaries since the first day of such four-quarter period and the application of the proceeds therefrom, including to refinance other Indebtedness, had occurred at the beginning of such period; (B) the repayment or retirement of any other Indebtedness by the Guarantor and its Subsidiaries since the first day of such four-quarter period had been repaid or retired at the beginning of such period (except that, in making such computation, the amount of Indebtedness under any revolving credit facility shall be computed based upon the average daily balance of such Indebtedness during such period); (C) in the case of Acquired Indebtedness or Indebtedness incurred in connection with any acquisition since the first day of such four-quarter period, the related acquisition had occurred as of the first day of such period with the appropriate adjustments with respect to such acquisition being included in such PRO FORMA calculation; and (D) in the case of any acquisition or disposition by the Guarantor or its Subsidiaries of any asset or group of assets since the first day of such four-quarter period, whether by merger, stock purchase or sale, or asset purchase or sale, such acquisition or disposition or any related repayment of Indebtedness had occurred as of the first day of such period with the appropriate adjustments with respect to such acquisition or disposition being included in such PRO FORMA calculation.
- (iii) In addition to the limitations set forth in subsections (i) and (ii) of this Section, the Guarantor will not, and will not permit any Subsidiary to, incur any Indebtedness secured by any Encumbrance upon any of the property of the Guarantor or any Subsidiary, whether owned as of the Closing Date or thereafter acquired, if, immediately after giving effect to the incurrence of such additional Indebtedness secured by an Encumbrance and the application of the proceeds thereof, the aggregate principal amount of all outstanding Indebtedness of the Guarantor and its Subsidiaries on a consolidated basis which is secured by any Encumbrance on property of the Guarantor or any Subsidiary is greater than 40% of the sum of (without duplication) (A) the Total Assets of the Guarantor and its Subsidiaries as of the end of the calendar quarter covered in the Guarantor's Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as the case may be, most recently filed with the Commission, prior to the incurrence of such additional Indebtedness and (B) the purchase price of any assets included in the definition of Total Assets acquired, and (C) the amount of any securities offering proceeds received (to the extent such proceeds were not used to acquire items included in the definition of Total Assets or used to reduce Indebtedness), by the Guarantor or any Subsidiary since the end of such calendar quarter, including those proceeds obtained in connection with the incurrence of such additional Indebtedness.



- (iv) The Guarantor and its Subsidiaries may not at any time own Total Unencumbered Assets equal to less than 150% of the aggregate outstanding principal amount of the Unsecured Indebtedness of the Guarantor and its Subsidiaries on a consolidated basis.
- (v) For purposes of this Section 3, Indebtedness shall be deemed to be “incurred” by the Guarantor or a Subsidiary whenever the Guarantor or such Subsidiary shall create, assume, guarantee or otherwise become liable in respect thereof.

**Section 3.3.** **Letter of Credit.** If at any time during the term of the Loan, any of the covenants listed in Section 3.2 above are not met (a “Covenant Breach”), Borrowers and Guarantors shall provide to Lender a letter of credit complying with the provisions hereof or a cash deposit (which shall be held by Lender in an escrow account controlled by Lender) as additional security for the Loan, which letter of credit (or cash deposit) shall be delivered on or before five (5) days after the earlier to occur of (y) Borrower becoming aware of such Covenant Breach or (z) Lender’s delivery of written notice to Borrower that a Covenant Breach exists. The letter of credit shall be satisfactory to Lender in form and substance, shall be in the form attached hereto as **Exhibit E**, and shall comply with the provisions in this Section 3.3 below.

- (i) The letter of credit shall be drawn on a national bank satisfactory to Lender.
- (ii) The letter of credit shall have an initial term of at least twelve (12) months.
- (iii) The letter of credit shall be in an amount equal to \$61,125,000 (subject to the provisions of Section 3.4 below).
- (iv) The letter of credit shall be additional security for the Loan. In addition to all other remedies to which Lender may be entitled upon an occurrence of an Event of Default under the Loan Documents which is not cured within any applicable cure period, if any, provided therein, Lender shall also be entitled to draw upon the letter of credit for application against the secured indebtedness (including Prepayment Premium).
- (v) The letter of credit shall be regularly renewed at least forty-five (45) days prior to its expiration date and shall be drawn on a national bank satisfactory to Lender; provided that in the alternative Borrower shall be permitted to substitute a cash deposit (which shall be held by Lender in an escrow account controlled by Lender) at least 45 days prior to such expiration date (and Borrower may thereafter substitute for such cash a letter of credit meeting the standards of Lender hereunder). If Borrower is replacing the national bank that is the issuer of the letter of credit, Borrower shall obtain Lender’s written approval of such bank prior to renewal of the existing letter of credit, such approval to be given or withheld in Lender’s sole discretion and within fifteen (15) days after written notice from Borrower. In the event Lender withholds its approval, the existing letter of credit shall be replaced with a new letter of credit drawn on a national bank satisfactory to Lender in its sole discretion and with an initial term of at least one (1) year or Borrower may substitute a cash deposit for such letter of credit. Failure so to renew or replace and renew the letter of credit or replace such letter of credit with a cash deposit in accordance with the provisions of this paragraph shall constitute an Event of Default under the Loan Documents and shall entitle Lender (a) to draw upon the letter of credit for application against the secured indebtedness (including Prepayment Premium) and (b) to exercise any and all other remedies it may have upon an Event of Default under the Loan Documents; provided, however, that if the sole Event of Default is the failure to renew such letter of credit or replace such letter of credit with a cash deposit in accordance with the above provisions, then Lender’s exercise of remedies under this clause (b) shall not commence until five (5) days have expired after Lender’s delivery of written notice to Borrower of such failure, and Borrower has continued to fail to renew such letter of credit, or replace such letter of credit or substitute a cash deposit for such letter of credit within such five (5) day period.

- (vi) In the event that Lender determines, in its sole discretion, that there has been an adverse change in the financial condition of the bank which has issued the letter of credit, Lender shall have the right to require the replacement of the letter of credit with a new letter of credit drawn on a national bank satisfactory to Lender and with an initial term at least equal to the remaining term of the existing letter of credit unless the term of the existing letter of credit is less than one hundred twenty-one (121) days. In the event the remaining term of the existing letter of credit is less than one hundred twenty-one (121) days, then the initial term of the replacement letter of credit shall be at least one (1) year. Borrower shall have sixty (60) days after the date written notice is sent from Lender to Borrower to deliver the replacement letter of credit to Lender; provided that in the alternative Borrower shall be permitted to substitute a cash deposit (which shall be held by Lender in an escrow account controlled by Lender) within such sixty (60) day period (and Borrower may thereafter substitute for such cash a letter of credit meeting the standards of Lender hereunder); with respect thereto, Borrower shall have the right to direct Lender in writing to draw upon the existing letter of credit, and Lender agrees to do so within two (2) business days of such request, and if Lender recovers under such letter of credit within such sixty (60) day period, then Lender shall hold the proceeds as the cash deposit in lieu of a Letter of Credit if there is no Event of Default. Failure to replace the existing letter of credit and deliver a new letter of credit in accordance with the provisions of this paragraph or substitute a cash deposit for such letter of credit shall entitle Lender (i) to draw upon the existing letter of credit for application against the secured indebtedness (including Prepayment Premium) at the expiration of said sixty-day period, and (ii) to exercise any and all other remedies it may have upon an Event of Default under the Loan Documents; provided, however, that if the sole Event of Default is the failure to renew such letter of credit or replace such letter of credit with a cash deposit in accordance with the above provisions, then Lender's exercise of remedies under this clause (ii) shall not commence until five (5) days have expired after Lender's delivery of written notice to Borrower of such failure, and Borrower has continued to fail to renew such letter of credit, replace such letter of credit or substitute a cash deposit for such letter of credit within such five (5) day period.

- (vii) Borrower shall be responsible for and must pay all costs and expenses (including, but not limited to, the fees and disbursements of Lender's outside counsel) for the preparation of the letter of credit agreement, review of any materials and documents submitted in connection with any reductions in or release of the letter of credit or cash deposits, and any modification of the Loan Documents deemed necessary by Lender.

**Section 3.4.** **Letter of Credit Reductions.** Upon Borrower's written request and provided no default then exists under the Loan, Lender shall consent to reductions in the letter of credit or cash deposit as follows:

- (a) If Prentice Hall exercises the Prentice Hall Renewal in accordance with the provisions of the Prentice Hall Lease, with a minimum five year extended term, and such Prentice Hall Renewal is for a minimum rental rate equal to or in excess of the Prentice Hall Full Release Rental, and Borrower provides the Prentice Hall Renewal Documents to Lender in form and substance reasonably acceptable to Lender, then, upon written request of Borrower or Guarantor, Lender shall consent to a reduction of \$42,000,000 in the letter of credit or cash deposit, as the case may be; alternatively, if Prentice Hall exercises the Prentice Hall Renewal in accordance with the provisions of the Prentice Hall Lease, with a minimum five year extended term, and such Prentice Hall Renewal is for a minimum rental rate within the parameters of the Prentice Hall Half Release Rental, and Borrower provides the Prentice Hall Renewal Documents to Lender in form and substance reasonably acceptable to Lender, then, upon written request of Borrower or Guarantor, Lender shall consent to a reduction of \$21,000,000 in the letter of credit or cash deposit, as the case may be;
- (b) If New Cingular Wireless exercises the New Cingular Wireless Renewal in accordance with the provisions of the New Cingular Wireless Lease, with a minimum five year extended term, and such New Cingular Wireless Renewal is for a minimum rental rate equal to or in excess of the New Cingular Wireless Full Release Rental, and Borrower provides the New Cingular Wireless Renewal Documents to Lender in form and substance reasonably acceptable to Lender, then, upon written request of Borrower or Guarantor, Lender shall consent to a reduction of \$19,125,000 in the letter of credit or cash deposit, as the case may be; alternatively, if New Cingular Wireless exercises the New Cingular Wireless Renewal in accordance with the provisions of the New Cingular Wireless Lease, with a minimum five year extended term, and such New Cingular Wireless Renewal is for a minimum rental rate within the parameters of the New Cingular Wireless Half Release Rental, and Borrower provides the New Cingular Wireless Renewal Documents to Lender in form and substance reasonably acceptable to Lender, then, upon written request of Borrower or Guarantor, Lender shall consent to a reduction of \$9,562,500 in the letter of credit or cash deposit, as the case may be;

- (c) If Prentice Hall does not renew the Prentice Hall Lease, then Lender will consent to reductions in the letter of credit or cash deposit as set forth below with respect to space leased in the Prentice Hall Space pursuant to lease(s) complying with the following requirements (“Prentice Hall Replacement Lease Requirements”):
- (i) Each lease (each, a “Prentice Hall Replacement Lease”) must be with a third-party tenant reasonably satisfactory to Lender with credit reasonably satisfactory to Lender, and for terms of no less than 60 months; such rentals shall be (y) for multi tenant buildings, on a gross rental basis with monthly payments, and with tenants to pay for their proportionate share of nonstructural repairs to their premises and their pro rata share of all operating expenses, utilities, taxes, insurance and common area maintenance costs in excess of the amount of such costs for the base year, or, (z) for single tenant buildings, on a triple net rent basis, with monthly payments, and with the tenant to pay for all taxes, insurance, utilities, operating and maintenance costs; if such Prentice Hall Replacement Lease is for a minimum rental rate equal to or in excess of the Prentice Hall Full Release Rental, and Borrower satisfies the conditions set forth below with respect thereto, then, upon written request of Borrower or Guarantor, Lender shall consent to a reduction of the letter of credit or cash deposit equal to \$88.50 per square foot for the Prentice Hall Space so leased by such Prentice Hall Replacement Lease; alternatively, if such Prentice Hall Replacement Lease is for a minimum rental rate within the parameters of the Prentice Hall Half Release Rental, and Borrower satisfies the conditions set forth below with respect thereto, then, upon written request of Borrower or Guarantor, Lender shall consent to a reduction of the letter of credit or cash deposit equal to \$44.25 per square foot for the Prentice Hall Space so leased by such Prentice Hall Replacement Lease;

- (ii) The tenant under such Prentice Hall Replacement Lease must have accepted possession of the demised premises, paying full rent (with no further free rent provisions existing during the initial term of such Prentice Hall Replacement Lease), and not otherwise in default or bankruptcy;
  - (iii) Borrower shall deliver to Lender satisfactory evidence of the payment of all leasing commissions for the initial term of such Prentice Hall Replacement Lease (all of which must be paid in full, even if permitted to be paid out over such initial term of such Prentice Hall Replacement Lease; or if not paid in full, Borrower and the Recourse Parties shall be personally liable for such unpaid amounts);
  - (iv) Borrower must deliver to Lender a copy of the applicable Prentice Hall Replacement Lease, and such Prentice Hall Replacement Lease must be in compliance with the Loan Documents;
  - (v) Borrower must deliver to Lender (a) an endorsement to the title policy certifying that there are no liens with respect to the Property (or, if the endorsement would cost more than \$500, a title checkdown or update certifying the status of title from and after the date of the title policy and identifying all matters of title including liens, all whether superior or subordinate to the applicable Mortgage), and (b) certificates of occupancy and other evidence satisfactory to Lender that evidencing that (i) the tenant improvements required by such Prentice Hall Replacement Lease have been completed in accordance with applicable laws and ordinances and in a manner satisfactory to Lender and (ii) that all work has been satisfactorily completed and paid for; and
  - (vi) Borrower shall deliver to Lender an original estoppel certificate in form and substance satisfactory to Lender, but subject to requirements of the Lease, which estoppel certificate shall have been fully executed by such tenant.
- (d) If New Cingular Wireless does not renew the New Cingular Wireless Lease, then Lender will consent to reductions in the letter of credit or cash deposit as set forth below with respect to space leased in the New Cingular Wireless Space pursuant to lease(s) complying with the following requirements (“New Cingular Wireless Replacement Lease Requirements”):
- (i) Each lease (each, a “New Cingular Wireless Replacement Lease”) must be with a third-party tenant reasonably satisfactory to Lender with credit reasonably satisfactory to Lender, and for terms of no less than 60 months; such rentals shall be (y) for multi tenant buildings, on a gross rental basis with monthly payments, and with tenants to pay for their proportionate share of nonstructural repairs to their premises and their pro rata share of all operating expenses, utilities, taxes, insurance and common area maintenance costs in excess of the amount of such costs for the base year, or, (z) for single tenant buildings, on a triple net rent basis, with monthly payments, and with the tenant to pay for all taxes, insurance, utilities, operating and maintenance costs; if such New Cingular Wireless Replacement Lease is for a minimum rental rate equal to or in excess of the New Cingular Wireless Full Release Rental, and Borrower satisfies the conditions set forth below with respect thereto, then, upon written request of Borrower or Guarantor, Lender shall consent to a reduction of the letter of credit or cash deposit equal to \$57.50 per square foot for the New Cingular Wireless Space so leased by such New Cingular Wireless Replacement Lease; alternatively, if such New Cingular Wireless Replacement Lease is for a minimum rental rate within the parameters of the New Cingular Wireless Half Release Rental, and Borrower satisfies the conditions set forth below with respect thereto, then, upon written request of Borrower or Guarantor, Lender shall consent to a reduction of the letter of credit or cash deposit equal to \$28.75 per square foot for the New Cingular Wireless Space so leased by such New Cingular Wireless Replacement Lease;

- (ii) The tenant under such New Cingular Wireless Replacement Lease must have accepted possession of the demised premises, paying full rent (with no further free rent provisions existing during the initial term of such New Cingular Wireless Replacement Lease), and not otherwise in default or bankruptcy;
- (iii) Borrower shall deliver to Lender satisfactory evidence of the payment of all leasing commissions for the initial term of such New Cingular Wireless Replacement Lease (all of which must be paid in full, even if permitted to be paid out over such initial term of such New Cingular Wireless Replacement Lease; or if not paid in full, Borrower and the Recourse Parties shall be personally liable for such unpaid amounts);
- (iv) Borrower must deliver to Lender a copy of the applicable New Cingular Wireless Replacement Lease, and such New Cingular Wireless Replacement Lease must be in compliance with the Loan Documents;
- (v) Borrower must deliver to Lender (a) an endorsement to the title policy certifying that there are no liens with respect to the Property (or, if the endorsement would cost more than \$500, a title checkdown or update certifying the status of title from and after the date of the title policy and identifying all matters of title including liens, all whether superior or subordinate to the applicable Mortgage), and (b) certificates of occupancy and other evidence satisfactory to Lender that evidencing that (i) the tenant improvements required by such New Cingular Wireless Replacement Lease have been completed in accordance with applicable laws and ordinances and in a manner satisfactory to Lender and (ii) that all work has been satisfactorily completed and paid for; and

- (vi) Borrower shall deliver to Lender an original estoppel certificate in form and substance satisfactory to Lender, but subject to requirements of the Lease, which estoppel certificate shall have been fully executed by such tenant.

**Section 3.5.** **Covenant Cure.** If at any time during the term of the Loan, after any of the covenants listed above in Section 3.2 have not been met and so Guarantor provides to Lender a letter of credit or cash deposit as set forth above, and, thereafter, for four (4) consecutive calendar quarters Borrower complies with all of the covenants listed above in Section 3.2, then, so long as there is then no Event of Default under the Loan Documents (or uncured event that with the passage of time or the giving of notice, or both, would constitute an Event of Default), Borrower shall be entitled, on written request to Lender, to the return of the letter of credit or cash deposit.

**Section 3.6.** **Cash Management.** During the term of the Loan and pursuant to such cash management and bank agreements acceptable to Lender (consisting, as of the date hereof, of the Cash Management Agreement and the Clearing Bank Deposit Account Control Agreement), all Property revenue shall be paid directly by tenants and other payees to an account controlled by Lender. Until the occurrence of any of the Trigger Events, such revenue will be promptly forwarded to an account controlled by Borrower and Borrower will pay all debt service, reserves and other payments required under the Loan, including operating expenses of and other required payments with respect to the Property. Upon the occurrence of a Trigger Event, Lender will apply all of the Property revenue as set forth in the Cash Management Agreement. In the event of the occurrence of a Trigger Event and in the event that such Trigger Events have been "Cured" (as defined below), then the Property revenue will be redirected to an account controlled by Borrower and Borrower will pay all debt service, reserves and other payments required under the Loan until such time as a new Trigger Event occurs. A Trigger Event shall be deemed "Cured" if the following have been satisfied: (i) the Loan is not then in default and given the passage of time or the giving of notice would not be in default, and (ii) the letter of credit or cash deposit required by this Section 3 has been delivered to Lender and is being maintained by Borrower in accordance with the provisions of this Section 3.

**Section 4.** **COLLATERAL.** Subject to Section 5, Section 6 and Section 7 hereof, the Obligations shall be secured by (i) a perfected first priority lien or security title to be held by Lender in the Properties, pursuant to the terms of the First Mortgages, and a perfected second priority lien or security title to be held by Lender in the Properties, pursuant to the terms of the Second Mortgages, (ii) a perfected first priority security interest to be held by Lender in the Leases pursuant to the Assignments of Rents, (iii) an assignment of agreements representing a first priority assignment to Lender of all agreements and other documents relating to the ownership, development, operation, construction or use of the Properties, and (iv) the other Security Documents and Collateral.

**Section 5.** **RELEASE OF PROPERTIES.** Upon Borrower's written request which shall include all materials and information necessary to evaluate such request, to be received with not less than thirty (30) days prior notice, Lender shall release not more than two (2) Individual Properties whose original allocated Individual Loan principal balances collectively do not exceed \$50,000,000.00 (except if the only release is as set forth in subsection (i) below) from the lien of the Loan Documents ("Release Property"), upon the following terms and conditions:

- (a) At the time of the request and the time of the Release, there shall be no Event of Default under the Loan Documents, and there shall exist no condition or state of facts which with the passage of time or the giving of notice or both, would constitute a default under the Loan Documents (except for any such default relating solely to the Release Property which, by its very nature, will be cured by the requested Release).
- (b) Any such request may be made beginning six (6) months after the date hereof and any such partial Release must occur prior to the last six (6) months prior to the Maturity Date.
- (c) Each Release Property released shall be the entire Individual Property identified with the applicable Individual Loan.
- (d) For each Release Property, Borrower shall have made the "Release Price" payment to Lender, in an amount equal to 110% of the principal balance of the Individual Loan applicable to the Release Property, together with a prepayment premium (based on the Release Price).
- (e) The Release Price shall be applied to pay in full the principal balance due with respect to the Individual Loan applicable to the Release Property and Borrower shall, in addition, pay all amounts due with respect to such Release Price with respect to interest, prepayment premium and reasonable costs and expenses. Lender shall apply the portion of any Release payment which is in excess of the balance of the Individual Loan applicable to the Release Property to any Individual Loan or Individual Loans, in Lender's sole discretion, and, upon Borrower's written request, Lender shall provide Borrower with Lender's allocation of such amounts thirty days prior to such Release or ten (10) days after such request, if later.
- (f) At the time of the Release, the Debt Service Coverage, calculated with respect to the remaining Properties (excluding the Released Property) shall be equal to or greater than (i) the Debt Service Coverage with respect to all of the Properties (including the Released Property) immediately prior to such Release, and, in any event, (ii) 2.00 to 1.00. In the event the Debt Service Coverage of the remaining Properties (as determined by Lender in its sole discretion) falls below the required level, Borrower shall have the right, subject to payment of the Prepayment Premium calculated in accordance with the provisions set forth in the Notes, to pay Lender the amount necessary to increase the Debt Service Coverage of the remaining Properties to the required level.



- (g) At the time of the Release, the Loan to Value Ratio, calculated with respect to the remaining Properties (excluding the Released Property), does not exceed the lesser of (1) thirty seven percent (37%) or (2) the Loan to Value Ratio of the entire Properties (including the Released Property) immediately prior to such Release. In the event the Loan to Value Ratio of the remaining Properties (as determined by Lender in its sole discretion) exceeds the required level, Borrower shall have the right, subject to payment of the Prepayment Premium calculated in accordance with the provisions set forth in the Notes, to pay Lender the amount necessary to reduce the loan to value ratio of the remaining Properties to the required level. Provided, however, if (i) the Prentice Hall Renewal for a minimum rental rate equal to or in excess of the Prentice Hall Full Release Rental has occurred in accordance with the requirements of Section 3.4(a) and the New Cingular Wireless Renewal for a minimum rental rate equal to or in excess of the New Cingular Wireless Full Release Rental has occurred in accordance with the requirements of Section 3.4(b), or (ii) the Prentice Hall Renewal for a minimum rental rate equal to or in excess of the Prentice Hall Full Release Rental has occurred in accordance with the requirements of Section 3.4(a) and all of the New Cingular Wireless Space has been leased pursuant to New Cingular Wireless Replacement Leases in accordance with the New Cingular Wireless Replacement Lease Requirements for a minimum rental rate equal to or in excess of the New Cingular Wireless Full Release Rental in accordance with the requirements of Section 3.4(d), or (iii) the New Cingular Wireless Renewal for a minimum rental rate equal to or in excess of the New Cingular Wireless Full Release Rental has occurred in accordance with the requirements of Section 3.4(b) and all of the Prentice Hall Space has been leased pursuant to Prentice Hall Replacement Leases in accordance with the Prentice Hall Replacement Lease Requirements for a minimum rental rate equal to or in excess of the Prentice Hall Full Release Rental in accordance with the requirements of Section 3.4(c), or (iv) all of the Prentice Hall Space has been leased pursuant to Prentice Hall Replacement Leases in accordance with the Prentice Hall Replacement Lease Requirements for a minimum rental rate equal to or in excess of the Prentice Hall Full Release Rental in accordance with the requirements of Section 3.4(c), and all of the New Cingular Wireless Space has been leased pursuant to New Cingular Wireless Replacement Leases in accordance with the New Cingular Wireless Replacement Lease Requirements for a minimum rental rate equal to or in excess of the New Cingular Wireless Full Release Rental in accordance with the requirements of Section 3.4(d), then the percentage listed in (g) (1) above shall be increased from thirty seven percent (37%) to forty-two (42%).
- (h) In no event will Lender be required to release more than two (2) Individual Properties in total during the term of the Loan (except as and only upon the conditions set forth in (i) below), and, in addition, such releases shall not exceed releases of property allocated to Loans comprising \$50,000,000.00 of the original principal balance of the Loan.

- (i) Unless otherwise agreed to by Lender in its sole discretion, the Individual Properties known as Mack-Cali Centre VII, Mack-Cali Centre III and Mack-Cali Centre II (collectively, the "Tied Properties") will not be eligible for partial releases (if at such time any of the leases in such Tied Properties have any right to expand into, or rights of refusal or offer in, any building located on another Tied Property, unless such rights been amended to terminate and eliminate such rights as a portion of the contractual rights of such Lease, and to provide that the Tenant's recourse shall only be as a contractual right, of public record, with the owner of such Tied Property that is to be released in such release), unless all of such Properties are released at the same time (or substituted as to some Tied Properties and released as to all the other Tied Properties at such time), and provided that the aggregate balance of all of the Loans is not less than \$85,000,000.00 following such Release. Under this provision Lender shall consent to the Release of all three Tied Properties (Mack-Cali Centre VII, Mack-Cali Centre III and Mack-Cali Centre II) if no other releases or substitutions of previously occurred, but Lender, but Lender will not consent to any additional Releases or Substitutions during the Loan term.
- (j) For each Release Property requested to be released, Borrower shall pay to Lender a release fee of \$15,000.00 which shall be non-refundable and payable to Lender at the time of request for Release.
- (k) Borrower shall pay to Lender all escrow, closing and recording costs including, but not limited to, the cost of preparing and delivering any reconveyance documentation and modification of the Loan Documents, including legal fees and costs, the cost of any title insurance endorsements that Lender may require, any expenses incurred by the Lender in connection with the partial release, and any sums then due and payable under the Loan Documents.
- (l) Such other terms and conditions as Lender shall reasonably require.

Notwithstanding anything to the contrary in this Section 5 and/or Section 6 regarding Substitution of Collateral, Borrower shall only have the right to a combined cumulative total (during the entire term of the Loan) of two (2) Releases and Substitutions, except if the Release is in accordance with the conditions set forth in subsection (i) of this Section 5 or if the Substitution is in accordance with the conditions set forth in subsection (o) of Section 6.

**Section 6. SUBSTITUTION OF COLLATERAL.** Notwithstanding anything to the contrary contained in the Loan Documents, Borrower shall have the right to request in writing that Lender accept additional real estate and related personal property collateral ("Substitute Collateral") in substitution for one Individual Property and the related Personal Property Security (the "Old Security") to be released from the lien of the Loan Documents. Such request may be made on not more than two (2) Individual Properties during the Term of the Loan (except if the Release is in accordance with the conditions set forth in subsection (o) below), and further, any such Substitution must occur after six (6) months from the date hereof and prior to the last six (6) months prior to the Maturity Date. Lender shall have the right to approve any such Substitution in Lender's sole discretion. Lender shall advise Borrower as soon as practicable of Lender's approval or disapproval of any such Substitution of collateral; if such Substitution is approved, Lender shall also advise Borrower of the conditions for such approval, which shall include, without limitation, the following:

- (a) The Substitute Collateral must consist of one or more legally separate parcels of land owned in fee simple in the United States. The Substitute Collateral shall be an office property and must be of similar or better quality than the Old Security and must be satisfactory to Lender in Lender's sole discretion.
- (b) Lender must receive perfected first and exclusive liens, security interest and/or security title on the Substitute Collateral, and the Loan for the Substitute Collateral shall be cross collateralized and cross defaulted with all the other Loans pursuant to the Loan Documents. The ownership entity that owns the Substitute Collateral (the "Substitute Collateral Owner") shall be identical to that of the Individual Borrower that owned the Old Security or if the Substitute Collateral Owner is not the same as the Individual Borrower that owned the Old Security, then (A) the Substitute Collateral Owner's parent (the "Parent") must own 100% of the Individual Borrower that owned the Old Security and 100% of the Substitute Collateral Owner (provided that the Parent may have such 100% ownership through intermediate entities in the chain of ownership between the Parent and the Individual Borrower and the Substitute Collateral Owner, in which no other party other than such Parent, directly or through such intermediate entities, holds any legal or beneficial ownership interest), (B) if the Substitute Collateral is newly acquired, the Substitute Collateral Owner, Individual Borrower of the Old Security and the Parent (and any intermediate entities as aforesaid) shall enter into an agreement, in form and substance satisfactory to Lender, that shall provide that, among other things, the Parent would not have provided the funds for the purchase of the Substitute Collateral had Substitute Collateral Owner not agreed to assume the obligations under the Loan Documents, (C) Lender shall be satisfied, in its sole discretion, that the assumption of the obligations under the Loan Documents by the Substitute Collateral Owner shall not render the Substitute Collateral Owner insolvent or leave the Substitute Collateral Owner with unreasonably small capital, (D) Lender shall be satisfied, in its sole discretion, that the Loan, the collateral for the Loan, and the structure of the Loan will not be materially impaired as a result of such substitution, and (E) the Substitute Collateral Owner shall expressly assume all obligations under the Loan Documents and shall execute any documents reasonably required by Lender, and all of these documents shall be satisfactory in form and substance to Lender.

- (c) The Substitute Collateral must comply with Lender's then current underwriting and other requirements in all respects, including, without limitation, loan documents, title, survey, compliance with zoning, building, environmental and land use laws, construction and engineering, insurance, leases, real estate taxes, legal opinions, estoppel certificates and all other terms and conditions.
- (d) The NOI from the Substitute Collateral shall equal or exceed the NOI from the Old Security, calculated as of the date of the Substitution, and Lender shall have no reason to reasonably believe that such NOI from the Substitute Collateral will not be continued for the next succeeding twenty-four (24) months, and the fair market value of the Substitute Collateral shall equal or exceed the fair market value of the Old Security (as of the Substitution date), as determined by Lender in its sole discretion, absent manifest error. In the event the NOI of the Substitute Collateral (as determined by Lender in its sole discretion) falls below the required level, Borrower shall have the right, subject to payment of the prepayment premium calculated in accordance with the provisions set forth in the Notes, to pay Lender the amount necessary to decrease the Debt Service of the remaining Properties to meet the other conditions of this Section 6.
- (e) The location (including, without limitation, the character and demographics of the market area) of the Substitute Collateral shall be satisfactory to Lender in Lender's sole discretion. The consent of Lender to the Substitution of Collateral is expressly made subject to Lender's analyses and approval of the economic trends affecting the Substitute Collateral.
- (f) The credit of the tenants shall be acceptable in Lender's sole discretion.
- (g) Lender shall have received a report in accordance with Lender's then-current standards from an engineer or architect chosen by Lender regarding the physical structure of the Substitute Collateral, which report shall be satisfactory in all respects to Lender in Lender's sole discretion. In addition, Lender shall have received an Environmental Report in accordance with Lender's then-current environmental guidelines, which Environmental Report shall be satisfactory in all respects to Lender in Lender's sole discretion. The cost of preparation of all such reports and all necessary inspections shall be paid by Borrower.
- (h) At the time of the Substitution, Debt Service Coverage, calculated with respect to the Real Estate Security including the Substitute Collateral but excluding the Old Security is equal to or greater than (i) the Debt Service Coverage with respect to all of the Properties (including the substituted Property) immediately prior to such Substitution, and, in any event, (ii) 2.00 to 1.00. In the event the Debt Service Coverage of the remaining Properties (as determined by Lender in its sole discretion) falls below the required level, Borrower shall have the right, subject to payment of the prepayment premium calculated in accordance with the provisions set forth in the Notes, to pay Lender the amount necessary to increase the Debt Service Coverage of the remaining Properties to the required level.

- (i) At the time of the Substitution, the Loan to Value Ratio, calculated with respect to the Real Estate Security including the Substitute Collateral but excluding the Old Security, does not exceed the lesser of (1) forty seven percent (47%), or (2) the Loan to Value Ratio of the entire Properties (including the Old Security) immediately prior to such Release. In the event the Loan to Value Ratio of the remaining Properties (as determined by Lender in its sole discretion) exceeds the required level, Borrower shall have the right, subject to payment of the prepayment premium calculated in accordance with the provisions set forth in the Notes, to pay Lender the amount necessary to reduce the loan to value ratio of the remaining Properties to the required level.
- (j) Borrower shall pay all reasonable costs and expenses incurred by Lender in connection with the Substitution, including, but not limited to, all legal, accounting, title insurance and appraisal fees, recording costs, intangible taxes and documentary stamps, and a MAI appraisal (prepared by an appraiser selected by Lender) of the Substitute Property, whether or not such Substitution is actually consummated.
- (k) [Intentionally deleted]
- (l) At the time of the request and the time of the Substitution, there shall be no default under the Loan Documents, and there shall exist no condition or state of facts which with the passage of time or the giving of notice or both, would constitute a default under the Loan Documents (except for any such default relating solely to the Old Security which, by its very nature, will be cured by the requested Substitution).
- (m) Borrower shall pay Lender a \$25,000.00 servicing fee (the "Substitution Servicing Fee") for consideration by Lender of the request at the time Borrower makes such request, which shall be deemed fully earned by Lender even if such request is denied, and an additional fee (against which the Substitution Servicing Fee shall be credited) equal to one half percent (0.5%) of the allocated loan balance for the Old Security, which additional fee shall be paid at the time of closing.
- (n) The Substitute Collateral shall not consist of any partial interest in a property, including but not limited to partnership or joint venture interests. The Old Security is not eligible for substitution if at the time of the proposed substitution (i) any of the leases in the Old Security have any right to expand into, or rights of refusal or offer in any building located on another Individual Property, unless such rights have been amended to terminate and eliminate such rights as a portion of the contractual rights of such Lease, and to provide that the applicable Tenant's recourse shall only be as a contractual right, of public record, with the owner of the Old Security to be released in such Substitution or (ii) any of the leases in any of the other Individual Properties have any right to expand into, or rights of refusal or offer in any building located on the Old Security, unless such rights have been amended to terminate and eliminate such rights as a portion of the contractual rights of such Lease, and to provide that the applicable Tenant's recourse shall only be as a contractual right, of public record, with the owner of the Old Security to be released in such Substitution.

- (o) Unless otherwise agreed to by Lender in its sole discretion, the Tied Properties (Mack-Cali Centre VII, Mack-Cali Centre III and Mack-Cali Centre II) will not be eligible for Substitution (if at such time any of the leases in the Tied Properties have any right to expand into, or rights of refusal or offer in any building located on another Tied Property, unless such rights have been amended to terminate and eliminate such rights as a portion of the contractual rights of such Lease, and to provide that the applicable Tenant's recourse shall only be as a contractual right, of public record, with the owner of such individual Tied Property to be released in such Substitution), unless all of such Tied Properties are substituted at the same time (or substituted as to some Tied Properties and released as to all the other Tied Properties at such time), and provided that the aggregate balance of all of the Loans is not less than \$85,000,000.00 following any such Release. Under this provision Lender shall consent to the Release (in connection with a substitution) of all three Tied Properties (Mack-Cali Centre VII, Mack-Cali Centre III and Mack-Cali Centre II) if no other releases or substitutions have previously occurred, but Lender, but will not consent to any additional Releases or Substitutions during the Loan term, except in connection with the additional letter of credit which may be posted in the last 12 months of the Loan.

Cash and Letter of Credit General Options Subject to Borrower's compliance with all of the above requirements, Borrower shall be permitted to substitute cash (which shall be held by Lender in an escrow account controlled by Lender) or a letter of credit for an Old Security so long as such letter of credit shall be in form and substance satisfactory to Lender, shall be issued by a bank satisfactory to Lender, and shall have an initial term of at least twelve (12) months. The amount of the cash escrow or letter of credit will be (i) 110% of the Loan amount allocated to the Old Security, so long as the Loan to Value Ratio, calculated with respect to the Real Estate Security, excluding the cash escrow or letter of credit and excluding the Old Security, does not exceed forty-two percent (42%), or, (ii) an amount such that at the time of the Substitution, the Loan to Value Ratio, calculated with respect to the Real Estate Security including the cash escrow or letter of credit but excluding the Old Security, does not exceed forty-seven percent (47%). So long as such letter of credit is providing security for such Loan, it shall be regularly renewed at least forty five (45) days prior to its expiration date, with a renewal term of at least twelve (12) months; provided that in the alternative Borrower shall be permitted to substitute a cash deposit (which shall be held by Lender in an escrow account controlled by Lender) at least 45 days prior to such expiration date (and Borrower may thereafter substitute for such cash a letter of credit meeting the standards of Lender hereunder). Failure to so renew such letter of credit or replace such letter of credit with a cash deposit in accordance with the above provisions shall constitute an Event of Default under the Loan Documents and shall entitle Lender to (A) draw upon such letter of credit for application against the secured indebtedness (including the Prepayment Premium) and (B) exercise any and all remedies Lender may have under the Loan Documents, provided, however, that if the sole Event of Default is the failure to renew such letter of credit or replace such letter of credit with a cash deposit in accordance with the above provisions, then Lender's exercise of remedies under this clause (B) shall not commence until five (5) days have expired after Lender's delivery of written notice to Borrower of such failure, and Borrower has continued to fail to renew such letter of credit, replace such letter of credit or substitute a cash deposit within such five (5) day period. At all times during the term of the Loan, only one (1) cash escrow or letter of credit shall be permitted to be outstanding and providing security for the Loan (as replacement security for only one Individual Property being released as security pursuant to this Section 6, Substitution of Collateral); provided however, during the last twelve (12) months of the Loan term, Lender shall permit two (2) cash escrows or letters of credit to be outstanding and providing security for the Loan (as replacement security for only two Properties being released as security pursuant to this Section 6, Substitution of Collateral). The Substitution Servicing Fee for a Substitution of a cash escrow or letter of credit for an Old Security shall be \$25,000 (reduced to \$15,000 if the Substitution is initiated in the last twelve (12) months of the Loan), but Borrower shall not be required to pay the 0.5% additional fee (described in (m) above) in connection with the Substitution of a cash escrow or letter of credit for an Old Security. If Borrower ever requests that an Individual Property be substituted for an outstanding cash escrow or letter of credit, Borrower must comply with all of the requirements set forth in Section 6(a) through Section 6(o) above, but Borrower shall not be required to pay a new \$25,000 Substitution Servicing Fee and the previously paid Substitution Servicing Fee shall be credited against the additional 0.5% fee; provided, however, if such Substitution of an Individual Property for the cash escrow or letter of credit is not completed, then Borrower must pay a \$25,000 Substitution Servicing Fee for each subsequent requested Substitution of an Individual Property for such outstanding cash escrow or letter of credit and such additional Substitution Servicing Fee(s) shall not be credited against the additional 0.5% fee described in (m) above.

Cash and Letter of Credit End of Term Options. Notwithstanding anything to the contrary above, (i) even if Borrower has completed a combined cumulative total of two Releases and Substitutions (except if the Release is in accordance with the conditions set forth in subsection (i) of Section 5 or if the Substitution is in accordance with the conditions set forth in subsection (o) of this Section 6); and (ii) provided Borrower has no more than one (1) other cash escrow or other letter of credit outstanding, and (iii) it is during the last twelve (12) months of the Loan, then Borrower can use a cash escrow or letter of credit to Release another Individual Property, and then, subject to Borrower's compliance with all of the above requirements, Borrower shall be permitted to substitute a cash escrow or letter of credit for an Old Security so long as such letter of credit shall be in form and substance satisfactory to Lender, shall be issued by a bank satisfactory to Lender, and shall have an initial term of at least twelve (12) months.

The amount of the cash escrow or letter of credit will be (i) 110% of the Loan amount allocated to the Old Security, so long as the Loan to Value Ratio, calculated with respect to the Real Estate Security, excluding the cash escrow or letter of credit and excluding the Old Security, does not exceed forty-two percent (42%), or, (ii) an amount such that at the time of the Substitution, the Loan to Value Ratio, calculated with respect to the Real Estate Security including the cash escrow or letter of credit but excluding the Old Security, does not exceed forty-seven percent (47%).

**Letter of Credit Renewal.** So long as such letter of credit is providing security for such Loan, it shall be regularly renewed at least 45 days prior to its expiration date, with a renewal term of at least twelve (12) months; provided that in the alternative Borrower shall be permitted to substitute a cash deposit (which shall be held by Lender in an escrow account controlled by Lender) at least 45 days prior to such expiration date (and Borrower may thereafter substitute for such cash a letter of credit meeting the standards of Lender hereunder). Failure to so renew such letter of credit or replace such letter of credit with a cash deposit in accordance with the above provisions shall constitute an Event of Default under the Loan Documents and shall entitle Lender to (i) draw upon such letter of credit for application against the secured indebtedness (including the Prepayment Premium) and (ii) exercise any and all remedies Lender may have under the Loan Documents; provided, however, that if the sole Event of Default is the failure to renew such letter of credit or replace such letter of credit with a cash deposit in accordance with the above provisions, then Lender's exercise of remedies under this clause (ii) shall not commence until five (5) days have expired after Lender's delivery of written notice to Borrower of such failure, and Borrower has continued to fail to renew such letter of credit, replace such letter of credit or substitute a cash deposit within such five (5) day period.

**Substitution Processing.** Lender shall have at least sixty (60) days in which to process any request to effect a Substitution after receipt of (1) all materials and information necessary to evaluate such request and (2) the Substitution Servicing Fee.

**Limits.** Except for the additional cash escrow or letter of credit that may be posted during the twelve (12) months prior to maturity, notwithstanding anything to the contrary in this Section 6 and/or Section 5 (the Release of Properties Section), Borrower shall only have the right to a combined cumulative total (during the entire term of the Loan) of two (2) Substitutions and Releases, except if the Release is in accordance with the conditions set forth in subsection (i) of Section 5 or if the Substitution is in accordance with the conditions set forth in subsection (o) of this Section 6. Substituting a cash escrow or letter of credit for an Old Security shall count as one (1) of the two (2) permitted Substitutions and/or Releases; however, the subsequent Substitution of a Individual Property for an outstanding letter of credit shall not count as one (1) of the two (2) permitted Substitutions and/or Releases.

**Section 7.** **CONVERSION OPTION.** Intentionally Omitted. Borrower shall no longer have the "Conversion Option" set forth in the Prior Loan Agreement.

**Section 8.** **LEASES.**

**Section 8.1.** **Leasing Standards Covenant.** Each Borrower shall comply with the leasing standards and covenants set forth in each Assignment of Rents. Without limiting the foregoing, those tenants listed on **Exhibit C-1** have noted that there is a claim of breach or default by the Borrower with respect to the obligations of the landlord under the applicable Lease, and with respect to each, Borrower shall take commercially reasonable efforts to comply with and discharge all obligations of the landlord under such Leases, and upon resolution of such claimed defaults, obtain from such parties replacement tenant estoppels setting forth no claim of default. Borrower will promptly send Lender copies of any notices or other information sent or received with respect to the foregoing.



**Section 8.2.** Existing Leases. Each Borrower represents and warrants that the Rent Roll attached hereto as Exhibit C shows all Leases of the Properties as of the date hereof, and that such Rent Roll shows all information required by the Application to be shown on the Rent Roll. All Leases (i) cover in the aggregate not less than 1,725,000 rentable square feet, with each lease having an original term of not less than thirty-six (36) months, (ii) produce annualized base rent (but excluding tenant payments for operating and fixed expenses, percentage rents, and any other non-rental items) from tenants paying full rent, and not otherwise in default, of not less than \$38,300,000, and (iii) include the following tenants: Prentice Hall, New Cingular Wireless, United Retail Inc., Movado Group Inc., Morgan Stanley Smith Barney Financing LLC (formerly known as Citigroup Global Markets Inc.), Mannkind Corp. and Sycsort Inc. (the “Major Tenants”), each of which is paying full rent, and not in default.

**Section 8.3.** Rent Roll. The form and format of Rent Roll attached hereto as Exhibit C shall be acceptable and permitted by Lender for the purposes of the requirement of delivery of Rent Rolls under the Security Documents during the term of the Loan.

**Section 8.4.** SNDA Agreements. Lender agrees that, at the request of any Tenant under a Lease arising after the date hereof and approved by Prudential (but not a lease “deemed approved” by Prudential), Lender shall enter into subordination, non-disturbance and attornment agreement substantially in the form attached hereto as Exhibit F.

**Section 8.5.** Lease Form. The standard form of Lease now in use with respect to each of the Properties is attached hereto as Exhibit G.

**Section 8.6** Parking Compliance. Borrower and Guarantors acknowledge that certain of the Properties may not be in current compliance with the parking requirements applicable under the zoning ordinances applicable to such Properties (such Properties are known as Mack-Cali Centre II and Mack-Cali Centre III). Based on the receipt of Certificates of Occupancy and other documentation, Borrower is under the understanding that the Properties in fact comply in all material compliance with all Laws (as defined in the Mortgages) applicable to the parking requirements for such Properties; in addition, without limiting the provisions of Section 2.04(b) of the Mortgages, Borrower has received no notice of any violation or potential violation of the Laws applicable to the parking requirements for such Properties which has not been remedied or satisfied. Borrower and Guarantors hereby covenant and agree that, without limiting the provisions of Section 3.05(c) of the Mortgages, that if proceedings are initiated alleging, or Borrower receives notice, that it or the Individual Property is not in compliance with the Laws applicable to the parking requirements for such Properties (a “Parking Violation Notice”), Borrower will promptly send Lender notice and a copy of the proceeding or violation notice, and that if the Individual Property is not in compliance with all Laws, and, without limiting the provisions of Section 3.05(c) of the Mortgages, but subject to the Parking Contest Rights (as defined below) Borrower and Guarantor shall undertake and shall be liable for the cost (the “Additional Parking Cost”) to (i) build any additional parking spaces necessary to comply with such Laws and/or (ii) as and if necessary to secure such compliance, acquire any additional land necessary to provide such parking spaces in compliance with Laws. Borrower and Guarantors further agree that liability of Borrower and Guarantor to pay the Additional Parking Cost shall be recourse to Borrower and the Recourse Parties (as defined in the Notes). So long as no Event of Default is continuing, Borrower may, prior to the deadlines applicable to any Parking Violation Notice and at its sole expense, contest any Parking Violation Notice, but this shall not change or extend Borrower’s obligation to comply with the Parking Violation Notice as required above unless (A) Borrower gives Lender prior written notice of its intent to contest the Parking Violation Notice; (B) Borrower demonstrates to Lender’s reasonable satisfaction that (1) the Individual Property will not lose any rights or permits, including, but not limited to, any existing certificates of occupancy or the right to secure building permits for tenant improvements, prior to the final determination of the legal proceedings relating to the Parking Violation Notice, (2) it has taken such actions as are required or permitted to accomplish a stay of any such action referenced in subsection (1) above, and (3) it has furnished to Lender such tenant estoppel certificates as Lender may require (satisfactory to Lender in form and amount) sufficient to assure Lender that the Major Tenants of such Individual Property have no claim against Borrower under their Lease relating to the matters addressed in the Parking Violation Notice; (C) at Lender’s option, Borrower has deposited the full amount necessary to pay the Additional Parking Costs with Lender; and (D) such proceeding shall be permitted under any other instrument to which Borrower or the Individual Property is subject (whether superior or inferior to this Instrument).

**Section 8.7 Tuttle Fee Estate.** Borrower and Guarantors acknowledge that with respect to the Property known as Mack-Cali Centre III, the ownership of the landlord interest under the Ground Lease (as defined in the Mortgage related to such Property), and the fee simple interest of the land under the Ground Lease (the "Tuttle Fee"), is in question on account of the death of Sam Tuttle, who had owned such interests as of the original Loan to Borrower as of April 30, 1998. Based on information available to date, Borrower is advised that Catherine Taffuri has received an assignment of rights under the Ground Lease, but that fee simple ownership of the land demised under the Ground Lease most recently was vested in Theda Carracic and Alan Tuttle, as owners of "Tract 1" (though Borrower is advised that Theda Carracic has herself died), and The Tuttle Family Limited Partnership, as owner of "Tract 2" (though Borrower is advised that this partnership has dissolved as of March, 2009). Accordingly, while Catherine Taffuri has executed a ground landlord estoppel in connection with the Loan, and Catherine Taffuri has executed a Joinder to the first priority Mortgage with respect to the Property known as Mack-Cali Centre III (to confirm the existing Joinder from 1998), it appears that the title to the Tuttle Fee requires certain documentation to confirm that it is, in fact, vested in Catherine Taffuri as of the date hereof. Accordingly, Borrower and Guarantors hereby covenant and agree that Borrower and Guarantors shall use commercially reasonable efforts to determine who owns the Tuttle Fee, and obtain from such parties replacement Joinders to the Mortgages with respect to the Property known as Mack-Cali Centre III and replacement ground landlord estoppels from such parties if other than Catherine Taffuri, with certification from the Title Company that such parties are the owners of the Tuttle Fee. Borrower will promptly send Lender copies of any notices or other information sent or received with respect to the foregoing. In the event that, upon foreclosure of the Mortgages with respect to the Property known as Mack-Cali Centre III, any claim is made against Lender that the wrong party has been paid under the Ground Lease applicable to the Tuttle Fee and, on account thereof, the owner of the lessor interest in and to such Ground Lease either makes demand for payment or exercises any remedy under such Ground Lease, and Lender suffers any loss as a result thereof, Borrower and Guarantor shall be liable for the amount of such loss (the "Tuttle Title Loss"), and shall indemnify Lender from any such Tuttle Title Loss. Borrower and Guarantors further agree that liability of Borrower and Guarantor with respect to the Tuttle Title Loss shall be recourse to Borrower and the Recourse Parties (as defined in the Notes).

**Section 9. EVENTS OF DEFAULT; ACCELERATION; ETC.**

**Section 9.1. Events of Default.** The term “Event of Default,” as used in this Agreement, shall mean the occurrence of any of the events described in Section 6.01 of the Mortgages (and the term “Default”, as used in this Agreement, shall mean the occurrence of any of such events, without regard to any requirement of notice or whether any cure period is required in order to constitute an Event of Default). Any periods of notice and cure set forth herein and in the other Loan Documents (or set forth in more than one Loan Document) shall run concurrently, and not consecutively.

**Section 9.2. Acceleration and Remedies.** If an Event of Default shall occur, then, and in any such event, so long as the same may be continuing, Lender may declare the entire balance of the Obligations (including the entire principal balance thereof, all accrued and unpaid interest and any prepayment premium and late charges thereon and all other such sums secured hereby) to be immediately due and payable, and upon any such declaration the entire unpaid balance of the Obligations shall become and be immediately due and payable, without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by each Borrower, anything in the Loan Documents to the contrary notwithstanding. In case any one or more of the Events of Default shall have occurred and be continuing, and whether or not Lender shall have exercised any of their rights under the Loan Documents, Lender may proceed to protect and enforce the rights and remedies under this Agreement, the Notes or any of the other Loan Documents by suit in equity, action at law or other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Agreement and the other Loan Documents or any instrument pursuant to which the Obligations to such Lender are evidenced, including to the full extent permitted by applicable law, the obtaining of the ex parte appointment of a receiver. No remedy herein conferred upon any Lender is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or any other provision of law.

**Section 9.3. Distribution of Collateral Proceeds.** In the event that, following the occurrence or during the continuance of any Event of Default, Lender receive any monies in connection with the enforcement of any of the Security Documents, or otherwise with respect to the realization upon any of the Collateral, such monies shall be distributed in accordance with the Loan Documents to such portion of the Loans as Lender may desire.

**Section 10. REPRESENTATIONS AND WARRANTIES.**

- (a) **Exhibit H** sets forth the ownership structure of each Borrower and of Guarantor and the percentage ownership of each constituent member and partner in each Borrower.
- (b) Borrowers hereby certify to Lender that there have been none of the following matters involving any Borrower, any general partner(s) of any Borrower, the Guarantor, or any general partner(s) of the Guarantor within the period from September 1, 1994 to the date hereof:
- (i) Litigation involving any lenders or financial institutions, including foreclosure actions;
  - (ii) Deeds (or conveyances) in lieu of foreclosure, or sales (pursuant to power of sale);
  - (iii) Petitions in bankruptcy or insolvency, or for reorganization, liquidation, dissolution, or for the appointment of a receiver, filed by or against any of the individuals or entities set forth above; or
  - (iv) workouts or modifications of any loan in which the interest rate was changed, the principal amount was reduced or the loan term was extended.
- (c) Borrowers have heretofore furnished (i) financial statements of Borrower, consisting of consolidated financial statements of MCRLP for the year ending December 31, 2008, and (ii) financial statements of the Tenants described in Section 8.2(1), (4) and (6), provided, that as to such Tenants, such financial information includes only financial information on such Tenants for the last three full fiscal years thereof to the extent Borrowers have obtained or can obtain such information, and to the extent not obtained prior to the date hereof, or, as to 2008 financial information not available as of the date hereof, Borrowers shall obtain such financial information when such financial information is available after Closing.
- (d) Borrowers hereby represent that, to its actual knowledge, all of the information submitted or to be submitted by Borrowers to Lender in connection with the Application and the Loan was, and as of the date hereof is, true, correct and complete in all material respects.

**Section 11. LOAN BROKERS AND COMMISSIONS.** Neither any Borrower nor Guarantor has engaged or used the services of any mortgage broker in connection with the Loan. Lender represent to Borrowers that they have not engaged or used the services of any mortgage broker in connection with the Loan. Lender, on one hand, and Guarantor and Borrowers, on the other hand, shall each indemnify and hold the other harmless against the payment of any brokerage commissions or fees of any kind with respect to the Loan, and for any legal fees or expenses incurred by the other in connection with any claims for such commissions or fees by any person engaged, or claiming to have been engaged, by the indemnifying party (and no Lender shall be liable for any such obligation hereunder with respect to any mortgage broker or other person claiming such rights or commissions on account of such person's distribution of loan solicitations or other materials with respect to any of the Properties or such Lender's receipt thereof). Such indemnity shall not be subject to the limitations on personal liability set forth in Section 3 hereof.

**Section 12. EFFECT OF APPROVALS.** Any approval by Lender of documents or materials submitted by any Borrower or by Guarantor shall be for loan underwriting purposes only, and Borrowers and Guarantor acknowledge that they are not in any way relying upon such approval for any purpose other than satisfaction of the terms and conditions of the Application. The mere fact that the description of any document, report or other item required by the Application sets forth certain information to be provided therein, does not obligate Lender to approve the content of such information when it appears in such document, report or other item. Any such approvals are to be relied upon by Lender only, and shall not constitute an assumption of liability by Lender with respect to Guarantor, any Borrower, or any contractors, architects, or engineers, or any present or future tenant, occupant or owner of the Properties or any Individual Property.

**Section 13. NOTICES.** Any notice, request, demand, consent, approval, direction, agreement, or other communication (any "notice") required or permitted under the Loan Documents shall be in writing and shall be validly given if sent by a nationally-recognized courier that obtains receipts, delivered personally by a courier that obtains receipts, or mailed by United States certified mail (with return receipt requested and postage prepaid) addressed to the applicable person as follows:

If to Borrower:

c/o Mack-Cali Realty Corporation  
343 Thornall Street  
Edison, New Jersey 08837  
Attention: Mitchell E. Hersh,  
President and Chief Executive Officer

With a copy to notices sent to Borrower to:

Mack-Cali Realty, L.P.  
c/o Mack-Cali Realty Corporation  
343 Thornall Street  
Edison, New Jersey 08837  
Attention: Barry Lefkowitz,  
Executive Vice President and CFO

If to Lender:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, and VPCM, LLC  
c/o Prudential Asset Resources, Inc.  
2100 Ross Avenue, Suite 2500  
Dallas, Texas 75201  
Attention: Asset Management Department  
Reference Loan Nos. 706 108 235 - 706 108 241 and 706 108 265 - 706 108 271

With a copy to notices sent to Borrower to:

General Counsel  
Mack-Cali Realty Corporation  
343 Thornall St.  
Edison, New Jersey 08837  
Attention: Roger W. Thomas

With a copy of notices sent to Lender to:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA  
c/o Prudential Asset Resources, Inc.  
2100 Ross Avenue, Suite 2500  
Dallas, Texas 75201  
Attention: Legal Department  
Reference Loan Nos. 706 108 235 - 706 108 241 and 706 108 265 - 706 108 271

Each notice shall be effective (i) upon delivery, if delivered in person, (ii) one business day after having been deposited for overnight delivery with a reputable overnight courier service, or (iii) three business days after having been sent by U.S. registered or certified mail, postage prepaid. Refusal to accept delivery or the inability to deliver because of a changed address for which no notice was given shall be deemed receipt. Any party may periodically change its address for notice hereunder (and such change shall be applicable to all Loan Documents) and specify up to two (2) additional addresses for copies by giving the other party at least ten (10) days' prior notice.

**Section 14. GOVERNING LAW; CONSENT TO JURISDICTION AND SERVICE.** THIS AGREEMENT IS A CONTRACTS UNDER THE LAWS OF THE STATE OF NEW JERSEY AND SHALL FOR ALL PURPOSES BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF SUCH STATE (EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW). BORROWER AGREES THAT ANY SUIT FOR THE ENFORCEMENT OF THIS AGREEMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW JERSEY OR ANY FEDERAL COURT SITTING THEREIN AND CONSENTS TO THE NON-EXCLUSIVE JURISDICTION OF SUCH COURT AND THE SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE UPON BORROWER BY MAIL AT THE ADDRESS SPECIFIED IN SECTION 13. BORROWER HEREBY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT OR ANY SUCH COURT OR THAT SUCH SUIT IS BROUGHT IN AN INCONVENIENT COURT.

**Section 15. HEADINGS.** The captions in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

**Section 16. RULES OF INTERPRETATION.**

(a) A reference to any document or agreement shall include such document or agreement as amended, modified or supplemented from time to time in accordance with its terms and the terms of this Agreement.

(b) The singular includes the plural and the plural includes the singular.

- (c) A reference to any law includes any amendment or modification to such law.
- (d) A reference to any Person includes its permitted successors and permitted assigns.
- (e) Accounting terms not otherwise defined herein have the meanings assigned to them by generally accepted accounting principles.
- (f) The words “include”, “includes” and “including” are not limiting.
- (g) All terms not specifically defined herein or by generally accepted accounting principles, which terms are defined in the Uniform Commercial Code as in effect in New Jersey, have the meanings assigned to them therein.
- (h) Reference to a particular “Section” refers to that section of this Agreement unless otherwise indicated.
- (i) The words “herein”, “hereof”, “hereunder” and words of like import shall refer to this Agreement as a whole and not to any particular section or subdivision of this Agreement.
- (j) The covenants, warranties and agreements of Borrower herein shall be made jointly and severally. Such joint and several liability of each Borrower shall not be affected, diminished or impaired by the dissolution, merger, consolidation, insolvency or bankruptcy of either Person or any determination by a court or tribunal of competent jurisdiction or otherwise that, as to either Person, the obligations and liabilities of such Person hereunder and under the Security Documents on the other documents and instruments executed in connection herewith and therewith.

**Section 17.** **COUNTERPARTS.** This Agreement and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. In proving this Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

**Section 18.** **CONSENTS, AMENDMENTS, WAIVERS, ETC.** Except as otherwise expressly provided in this Agreement, any consent or approval required or permitted by this Agreement may be given, and any term of this Agreement or of any other instrument related hereto or mentioned herein may be amended, and the performance or observance by Borrowers of any terms of this Agreement or such other instrument or the continuance of any Default or Event of Default may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of Lender. No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon. No course of dealing or delay or omission on the part of Lender in exercising any right shall operate as a waiver thereof or otherwise be prejudicial thereto. No notice to or demand upon Borrowers shall entitle Borrowers to other or further notice or demand in similar or other circumstances.

**Section 19.** **SEVERABILITY.** The provisions of this Agreement are severable, and if any one clause or provision hereof shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

**Section 20.** **NO UNWRITTEN AGREEMENTS.** The written Loan Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

**Section 21.** **TIME OF THE ESSENCE.** Time is of the essence of this Agreement.

**Section 22.** **WAIVER OF JURY TRIAL.** EACH OF BORROWERS, GUARANTORS AND LENDER HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM FILED BY EITHER PARTY, WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THE LOAN, THE DOCUMENTS, OR ANY ACTS OR OMISSIONS OF LENDER OR BORROWER IN CONNECTION THEREWITH.

**Section 23.** **Liability.** Guarantor's recourse liability under this Agreement shall be subject to the same limitations and other provisions as are set forth in Paragraph 8 and Paragraph 9 of each applicable Note and as set forth in each applicable Irrevocable Guaranty of Payment and Performance (Recourse Carveout Items), all of which terms and provisions are incorporated herein by this reference, and, except to the extent provided therein, Lender shall not enforce any deficiency judgment or personal money judgment against Guarantor or any of its respective constituent partners, or any of their respective officers, directors, agents, or shareholders with respect to any of the liabilities or obligations arising hereunder.



IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as a sealed instrument as of the date first set forth above.

**GUARANTORS:**

**MACK-CALI REALTY CORPORATION**, a Maryland corporation

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

**MACK—CALI REALTY, L.P.**, a Delaware limited partnership

By: MACK-CALI REALTY CORPORATION, a Maryland corporation, General Partner

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

**BORROWERS:**

**MACK—CALI REALTY, L.P.**, a Delaware limited partnership

By: MACK-CALI REALTY CORPORATION, a Maryland corporation, General Partner

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

**MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership

By: MACK-CALI SUB I, INC., a Delaware corporation, General Partner

By: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

**MACK-CALI CHESTNUT RIDGE L.L.C.**, a New Jersey limited liability company

By: MACK-CALI REALTY, L.P., a Delaware limited partnership, Sole Member

By: Mack-Cali Realty Corporation, a Maryland corporation, General Partner

By: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

**LENDER:**

**THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation

By: /s/ Melissa Farrell  
Name: Melissa Farrell  
Title: Vice President

**VPCM, LLC**, a Virginia limited liability company

By: PRUDENTIAL INVESTMENT MANAGEMENT, INC., a New Jersey corporation, as Investment Advisor

By: /s/ Jocelyn Friel

Name: Jocelyn Friel

Title: Vice President

**EXHIBIT A**  
**BORROWERS**

The Borrowers are listed below opposite the name and location of each Individual Property:

<u>Property</u>	<u>Borrower</u>	<u>Property Address</u>
Mack-Cali Saddle River	Mack—Cali Realty, L.P.	One Lake Street, Upper Saddle River, Bergen County, New Jersey
Mack-Cali Centre I	Mack—Cali Realty, L.P.	365 West Passaic Street, Rochelle Park, Bergen County, New Jersey
Mack-Cali Centre II	Mack—Cali Realty, L.P.	1 Mack-Cali Centre Drive, Paramus, Bergen County, New Jersey
Mack-Cali Centre III	Mack—Cali Realty, L.P.	140 East Ridgewood Avenue, Paramus, Bergen County, New Jersey
Mack-Cali Centre IV	Mack—Cali Realty, L.P.	61 South Paramus Road, Paramus, Bergen County, New Jersey
Mack-Cali Centre VII	Mack-Cali F Properties, L.P.	15 East Midland Avenue, Paramus, Bergen County, New Jersey
Mack-Cali Corp. Center	Mack-Cali Chestnut Ridge L.L.C.	50 Tice Blvd., Woodcliff Lake, Bergen County, New Jersey

**EXHIBIT B****LOAN NUMBERS AND LOAN AMOUNTS**

<u>Property</u>	<u>Loan Number</u>	<u>Existing Loan Amount</u>	<u>Reallocation of Loan Amounts</u>	<u>New Loan Amount</u>
Mack-Cali Saddle River	706 108 235 and 706 108 265	\$35,550,000.00	\$6,450,000.00	\$42,000,000.00
Mack-Cali Centre I	706 108 236 and 706 108 266	\$12,250,000.00	\$0.00	\$12,250,000.00
Mack-Cali Centre II	706 108 237 and 706 108 267	\$25,600,000.00	(\$2,100,000.00)	\$23,500,000.00
Mack-Cali Centre III	706 108 238 and 706 108 268	\$16,100,000.00	(\$3,850,000.00)	\$12,250,000.00
Mack-Cali Centre IV	706 108 239 and 706 108 269	\$20,800,000.00	\$2,200,000.00	\$23,000,000.00
Mack-Cali Centre VII	706 108 240 and 706 108 270	\$20,600,000.00	(\$7,600,000.00)	\$13,000,000.00
Mack-Cali Corp. Center	706 108 241 and 706 108 271	\$19,100,000.00	\$4,900,000.00	\$24,000,000.00

<u>Property</u>	<u>Pru Loan No.</u>	<u>VPCM Loan No.</u>	<u>Pru Loan Amount</u>	<u>VPCM Loan Amount</u>
Mack-Cali Saddle River	706 108 235	706 108 265	\$22,400,000.00	\$19,600,000.00
Mack-Cali Centre I	706 108 236	706 108 266	\$6,533,333.34	\$5,716,666.66
Mack-Cali Centre II	706 108 237	706 108 267	\$12,533,333.34	\$10,966,666.66
Mack-Cali Centre III	706 108 238	706 108 268	\$6,533,333.34	\$5,716,666.66
Mack-Cali Centre IV	706 108 239	706 108 269	\$12,266,666.64	\$10,733,333.36
Mack-Cali Centre VII	706 108 240	706 108 270	\$6,933,333.34	\$6,066,666.66
Mack-Cali Corp. Center	706 108 241	706 108 271	\$12,800,000.00	\$11,200,000.00



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Dated as of January 15, 2010

**PARTIAL RECOURSE GUARANTY**  
**(Prentice Hall Space and New Cingular Wireless Space)**

**FOR VALUE RECEIVED**, the receipt and sufficiency of which is hereby acknowledged, and in accordance with the terms provided below, the undersigned **MACK-CALI REALTY, L.P.**, a Delaware limited partnership (whether one or more, hereinafter together called "**Guarantor**" in the singular), absolutely and unconditionally guarantees and agrees to pay to **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation ("Prudential"), and **VPCM, LLC**, a Virginia limited liability company ("VPCM") (collectively hereinafter called "**Lender**") at the address designated in the Note (as hereinafter defined) for payment thereof or as such address may be changed as provided in the Note or the Instrument, the Recourse Guaranteed Amount (defined below) of the Obligations (defined below) of **MACK—CALI REALTY, L.P.**, a Delaware limited partnership, **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, and **MACK-CALI CHESTNUT RIDGE L.L.C.**, a New Jersey limited liability company (hereinafter collectively called "**Borrower**"), under the Note (defined below) and other Documents (defined below), and absolutely and unconditionally covenants and agrees with Lender pursuant to the terms of this Partial Recourse Guaranty (hereinafter called "**Guaranty**"), as follows:

1. As used in this Guaranty, the term (i) "**Documents**" shall have the same meaning as set forth in the Instrument (defined below), and including, but not limited to, that certain Amended and Restated Loan Agreement dated of even date herewith (the "**Loan Agreement**") by and among, inter alia, Lender and Borrower relating to seven (7) cross-collateralized and cross-defaulted loans in the aggregate principal amount of \$150,000,000.00; (ii) "**Obligations**" shall have the same meaning as set forth in the Instrument; (iii) "**Note**" shall mean the Notes as defined in the Loan Agreement; (iv) "**Instrument**" shall mean the Mortgages as defined in the Loan Agreement; (v) "**Property**" shall mean the Properties as defined in the Loan Agreement; (vi) "**Loan**" shall have the same meaning as set forth in the Loan Agreement; and (vii) "**Costs**" shall have the same meaning as set forth in the Instrument. Capitalized terms used herein and not defined herein shall have the meaning ascribed to such terms in the Instrument. The following terms shall have the meanings set forth below with respect to the applicable leases and spaces and the special terms of this Guaranty:

"**Applicable Principal Liability**" with respect to the Loan shall be equal to the aggregate of the Applicable Prentice Hall Principal Liability and the Applicable New Cingular Wireless Principal Liability (as such terms are defined below).

"**Applicable Prentice Hall Principal Liability**" with respect to the Loan shall be equal to the following amounts upon the occurrence of the conditions indicated:

- (A) as of the Closing of the Loan, and until the occurrence of any condition in clauses (B) and (C) below and subject to clauses (C) and (D) below, the Applicable Prentice Hall Principal Liability shall be \$0.00 (because as of the Closing of the Loan it is assumed by Borrower and Guarantor that Prentice Hall shall keep the Prentice Hall Lease in full force and effect and exercise the Prentice Hall Renewal on or before the Prentice Hall Renewal Deadline, and the terms of the Loan are expressly underwritten on such assumption and in consideration and reliance on the agreement by Borrower and Guarantor that they shall immediately incur the recourse liability set forth herein in the event that such event shall fail to occur);
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- (B) from and after either (1) Prentice Hall advises Borrower or Lender that Prentice Hall will not be exercising the Prentice Hall Renewal, or (2) any relinquishment, termination, cancellation or other waiver of, or any failure of conditions precedent under the Prentice Hall Lease applicable to the right to exercise the Prentice Hall Renewal, or (3) any amendment, modification, termination or cancellation of the Prentice Hall Lease occurs prior to Prentice Hall's exercise of the Prentice Hall Renewal and Borrower's delivery of the Prentice Hall Renewal Documents to Lender to evidence such renewal (unless such is made or occurs with the prior written consent of Lender, which written consent specifically references this clause of this Guaranty and that the consent to the lease action does not trigger the liability under this clause), the Applicable Prentice Hall Principal Liability shall be \$42,000,000; provided, however, that if a relinquishment, termination, amendment, modification or cancellation of the Prentice Hall Lease or other waiver of or any failure of conditions precedent under the Prentice Hall Lease applicable to the right to exercise the Prentice Hall Renewal as set forth in this subparagraph (B) that occurs by virtue of Prentice Hall rejecting the Prentice Hall Lease prior to the Prentice Hall Renewal Deadline after Prentice Hall files a petition in bankruptcy, then, notwithstanding any prior Applicable Prentice Hall Principal Liability arising under subclauses (1), (2) or (3) of this subparagraph (B), then the Applicable Prentice Hall Principal Liability shall be \$0.00;
- (C) assuming none of the events listed in subparagraph (B) above has theretofore occurred, and Prentice Hall has not previously exercised the Prentice Hall Renewal or Borrower has not delivered of the Prentice Hall Renewal Documents to Lender to evidence such renewal, then from and after April 30, 2013 (the Prentice Hall Renewal Deadline), the Applicable Prentice Hall Principal Liability shall be \$42,000,000, unless and until Prentice Hall has exercised the Prentice Hall Renewal and Borrower has delivered the Prentice Hall Renewal Documents to Lender to evidence such renewal; and except that if Prentice Hall has exercised the Prentice Hall Renewal and Borrower has delivered the Prentice Hall Renewal Documents to Lender to evidence such renewal, all in accordance with the Prentice Hall Replacement Lease Requirements, with the sole exception being that the rental rate under the Prentice Hall Renewal is less than \$12.00 per square foot on an annual basis on a Triple Net Rent Basis, but greater than \$9.00 per square foot on an annual basis on a Triple Net Rent Basis, then from and after such Prentice Hall Renewal the Applicable Prentice Hall Principal Liability shall be \$21,000,000;

in each case above, the Applicable Prentice Hall Principal Liability shall be without reduction on account of amortization and/or prepayment of the Loan, but in the event that Prentice Hall does not renew its lease, the Applicable Prentice Hall Principal Liability shall be subject to reduction if and to the extent the conditions set forth in Paragraph 26 hereof are satisfied as set forth therein.

“**Applicable New Cingular Wireless Principal Liability**” with respect to the Loan shall be equal to the following amounts upon the occurrence of the conditions indicated:

- (A) as of the Closing of the Loan, and until the occurrence of any condition in clauses (B) and (C) below and subject to clauses (C) and (D) below, the Applicable New Cingular Wireless Principal Liability shall be \$0.00 (because as of the Closing of the Loan it is assumed by Borrower and Guarantor that New Cingular Wireless shall keep the New Cingular Wireless Lease in full force and effect and exercise the New Cingular Wireless Renewal on or before the New Cingular Wireless Renewal Deadline, and the terms of the Loan are expressly underwritten on such assumption and in consideration and reliance on the agreement by Borrower and Guarantor that they shall immediately incur the recourse liability set forth herein in the event that such event shall fail to occur);
- (B) from and after either (1) New Cingular Wireless advises Borrower or Lender that New Cingular Wireless will not be exercising the New Cingular Wireless Renewal, or (2) any relinquishment, termination, cancellation or other waiver of, or any failure of conditions precedent under the New Cingular Wireless Lease applicable to the right to exercise the New Cingular Wireless Renewal, or (3) any amendment, modification, termination or cancellation of the New Cingular Wireless Lease occurs prior to New Cingular Wireless's exercise of the New Cingular Wireless Renewal and Borrower's delivery of the New Cingular Wireless Renewal Documents to Lender to evidence such renewal (unless such is made or occurs with the prior written consent of Lender, which written consent specifically references this clause of this Guaranty and that the consent to the lease action does not trigger the liability under this clause), the Applicable New Cingular Wireless Principal Liability shall be \$19,125,000; provided, however, that if a relinquishment, termination, amendment, modification or cancellation of the New Cingular Wireless Lease or other waiver of or any failure of conditions precedent under the New Cingular Wireless Lease applicable to the right to exercise the New Cingular Wireless Renewal as set forth in this subparagraph (B) occurs by virtue of New Cingular Wireless rejecting the New Cingular Wireless Lease prior to the New Cingular Wireless Renewal Deadline after New Cingular Wireless files a petition in bankruptcy, then, notwithstanding any prior Applicable New Cingular Wireless Principal Liability arising under subclauses (1), (2) or (3) of this subparagraph (B), then the Applicable New Cingular Wireless Principal Liability shall be \$0.00;
- (C) assuming none of the events listed in subparagraph (B) above has theretofore occurred, and New Cingular Wireless has not previously exercised the New Cingular Wireless Renewal or Borrower has not delivered of the New Cingular Wireless Renewal Documents to Lender to evidence such renewal, then from and after June 30, 2012 (the New Cingular Wireless Renewal Deadline), the Applicable New Cingular Wireless Principal Liability shall be \$19,125,000, unless and until New Cingular Wireless has exercised the New Cingular Wireless Renewal and Borrower has delivered the New Cingular Wireless Renewal Documents to Lender to evidence such renewal; and except that if New Cingular Wireless has exercised the New Cingular Wireless Renewal and Borrower has delivered the New Cingular Wireless Renewal Documents to Lender to evidence such renewal, all in accordance with the New Cingular Wireless Replacement Lease Requirements, with the sole exception being that the rental rate under the New Cingular Wireless Renewal is less than \$10.00 per square foot on an annual basis on a Triple Net Rent Basis, but greater than \$8.00 per square foot on an annual basis on a Triple Net Rent Basis, then from and after such New Cingular Wireless Renewal the Applicable New Cingular Wireless Principal Liability shall be \$9,562,500;

in each case above, the Applicable New Cingular Wireless Principal Liability shall be without reduction on account of amortization and/or prepayment of the Loan, but in the event that New Cingular Wireless does not renew its lease, the Applicable New Cingular Wireless Principal Liability shall be subject to reduction if and to the extent the conditions set forth in Paragraph 26 hereof are satisfied as set forth therein.

“**New Cingular Wireless**” means New Cingular Wireless PCS, LLC, the sole tenant of the Individual Property known as Mack-Cali Centre VII and the tenant of 52% of the space in Mack-Cali Centre III.

“**New Cingular Wireless Full Release Rental**” means a minimum rental rate of not less than \$10.00 per square foot on an annual basis on a Triple Net Rent Basis.

“**New Cingular Wireless Half Release Rental**” means a minimum rental rate of not less than \$8.00 per square foot on an annual basis on a Triple Net Rent Basis, but less than the New Cingular Wireless Full Release Rental.

“**New Cingular Wireless Lease**” means the lease or leases to New Cingular Wireless of the New Cingular Wireless Space in Mack-Cali Centre VII and Mack-Cali Centre III.

“**New Cingular Wireless Renewal**” means that certain renewal option (that is effective as of January 1, 2014) in accordance with the provisions of the New Cingular Wireless Lease with a minimum five year extended term at the rental rates specified in the renewal option of the New Cingular Wireless Lease.

“**New Cingular Wireless Renewal Deadline**” means June 30, 2012, the date on or before which the New Cingular Wireless Renewal must be exercised by New Cingular Wireless, which date shall not be extended for the purpose of this Guaranty even if such deadline may be extended by mutual agreement with New Cingular Wireless and even if Lender consents to such modification of the New Cingular Wireless Lease to effect such extension, as any such consent by Lender shall not effect a consent to extension of this deadline for the purpose of this Guaranty, except only that an extension approved by Lender for purposes other than this Guaranty shall apply to this Guaranty as well, but only if such extension is shorter than two months from the existing New Cingular Wireless Renewal Deadline, or if longer than two months from the existing New Cingular Wireless Renewal Deadline, such extension of this deadline for the purpose of this Guaranty shall be only two months from the existing New Cingular Wireless Renewal Deadline.

“**New Cingular Wireless Renewal Documents**” means (a) a certification from the applicable Borrower to Lender, certifying that New Cingular Wireless has exercised its renewal option in accordance with the provisions of the New Cingular Wireless Lease and that the New Cingular Wireless Lease as so renewed is in full force and effect, along with (b) a copy of the renewal notice fully executed by New Cingular Wireless and (c) an estoppel certificate from New Cingular Wireless in the form required by Lender in connection with closing of the Loan, but subject to requirements of the New Cingular Wireless Lease, which estoppel certificate may not disclose, and there may not exist any as of the date of, any uncured defaults on the part of Borrower or New Cingular Wireless with respect to the New Cingular Wireless Lease; all in form and substance reasonably acceptable to Lender.

“**New Cingular Wireless Replacement Lease**” is defined in Section 3.4(d) of the Loan Agreement.

“**New Cingular Wireless Replacement Lease Requirements**” is defined in Section 3.4(d) of the Loan Agreement.

“**New Cingular Wireless Space**” means the leasable area in the Individual Property known as Mack-Cali Centre VII and 52% of the space in Mack-Cali Centre III.

“**Prentice Hall**” means Prentice Hall, Inc., the sole tenant of the Individual Property known as Mack-Cali Saddle River.

“**Prentice Hall Full Release Rental**” means a minimum rental rate of not less than \$12.00 per square foot on an annual basis on a Triple Net Rent Basis.

“**Prentice Hall Half Release Rental**” means a minimum rental rate of not less than \$9.00 per square foot on an annual basis on a Triple Net Rent Basis, but less than the Prentice Hall Full Release Rental.

“**Prentice Hall Lease**” means the lease to Prentice Hall of the Prentice Hall Space.

“**Prentice Hall Renewal**” means that certain renewal option (that is effective as of January 1, 2015) in accordance with the provisions of the Prentice Hall Lease with a minimum five year extended term at the rental rates specified in the renewal option of the Prentice Hall Lease.

“**Prentice Hall Renewal Deadline**” means April 30, 2013, the date on or before which the Prentice Hall Renewal must be exercised by Prentice Hall, which date shall not be extended for the purpose of this Guaranty even if such deadline may be extended by mutual agreement with Prentice Hall and even if Lender consents to such modification of the Prentice Hall Lease to effect such extension, as any such consent by Lender shall not effect a consent to extension of this deadline for the purpose of this Guaranty, except only that an extension approved by Lender for purposes other than this Guaranty shall apply to this Guaranty as well, but only if such extension is shorter than two months from the existing Prentice Hall Renewal Deadline, or if longer than two months from the existing Prentice Hall Renewal Deadline, such extension of this deadline for the purpose of this Guaranty shall be only two months from the existing Prentice Hall Renewal Deadline.

“**Prentice Hall Renewal Documents**” means (a) a certification from the applicable Borrower to Lender, certifying that Prentice Hall has exercised its renewal option in accordance with the provisions of the Prentice Hall Lease and that the Prentice Hall Lease as so renewed is in full force and effect, along with (b) a copy of the renewal notice fully executed by Prentice Hall and (c) an estoppel certificate from Prentice Hall in the form required by Lender in connection with closing of the Loan, but subject to requirements of the Prentice Hall Lease, which estoppel certificate may not disclose, and there may not exist any as of the date of, any uncured defaults on the part of Borrower or Prentice Hall with respect to the Prentice Hall Lease; all in form and substance reasonably acceptable to Lender.

“**Prentice Hall Replacement Lease**” is defined in Section 3.4(c) of the Loan Agreement.

“**Prentice Hall Replacement Lease Requirements**” is defined in Section 3.4(c) of the Loan Agreement.

“**Prentice Hall Space**” means the leasable area in the Individual Property known as Mack Saddle-Cali River.

“**Recourse Guaranteed Amount**” shall mean the aggregate of:

- (A) (i) a portion of the aggregate outstanding principal balance of the Loan equal to the Applicable Principal Liability (as hereinafter defined) whenever the aggregate outstanding principal balance of the Loan is in excess of the Applicable Principal Liability, or (ii) the entire aggregate outstanding principal balance of the Loan whenever the aggregate outstanding principal balance of the Loan is equal to or less than the Applicable Principal Liability, and
- (B) all interest (including specifically Post-Petition Interest) accrued and unpaid on the Applicable Principal Liability from time to time, and
- (C) the proportionate share derived by dividing the Applicable Principal Liability by the outstanding principal balance of the Loan of all other sums of any nature whatsoever other than principal or interest from time to time constituting part of the Loan, all of the above unaffected by modification thereof in any bankruptcy or insolvency proceeding nor by any determination, of whatever nature, that Lender may not have an allowed claim for the same against Borrower as a result of any bankruptcy or insolvency proceeding.

“**Triple Net Rent Basis**” shall mean lease rental payments whereby a tenant makes both monthly base rental payments to the landlord and the tenant is responsible, in addition, to pay for all taxes, insurance, utilities, operating and maintenance costs. If, for the purposes of the Loan, the rental under a lease is on another basis (such as a gross rental basis whereby the landlord pays such costs), then the required annual rental threshold for such lease must be “grossed up” to achieve the necessary annual rental threshold on a Triple Net Rent Basis, after payment of all expenses as aforesaid. The parties agree to cooperate and act reasonably in calculating any gross up required if the renewal is on a gross basis: for example, for a lease that requires \$12 per square foot on a Triple Net Rent Basis, with monthly payments, and with the tenant to pay for all taxes, insurance, utilities, operating and maintenance costs, if those “taxes, insurance, utilities, operating and maintenance costs” equal \$2 psf annually, then the “gross rent” would need to be \$14, so that the landlord could pay the \$2 in expenses, and net the \$12 in rent on a Triple Net Rent Basis. For determination of the rental amount per square foot on an annual basis, a lease shall be analyzed and averaged based on the total base rental payments due over the currently effective term of the applicable lease (not including unexercised extensions or renewals, or any portion of a rental term after a termination option) less concessions (free rent and any other discount, concession, payment, gift, allowance, payment or contribution), in order to reflect the average effective rent paid and received over the term of the lease. For example, if a 25,000 square foot lease with a five year term provides for rent as follows (the entire term of occupancy, including free rent periods; initial construction periods would not be included in the calculation of the term of occupancy of a lease for calculation of the term of the lease or the averaging of the rentals over such term): during year one of \$11.75 per square foot (with two month’s free rent), during year two of \$12.00 per square foot (with no free rent), during year three of \$12.25 per square foot (with no free rent), during year four of \$12.50 per square foot (with no free rent), and during year five of \$12.75 per square foot (with one month’s free rent), the total rent paid of \$1,455,729.17 divided by 5 years equals \$291,145.83 or \$11.65 per square foot.

This Guaranty is intended to cover the risk that either (a) Prentice Hall, the sole tenant of Mack-Cali Saddle River, fails to exercise the Prentice Hall Renewal in accordance with the Prentice Hall Lease or (b) New Cingular Wireless, the sole tenant of Mack-Cali Centre VII and tenant of 52% of the space in Mack-Cali Centre III, fails to exercise the New Cingular Wireless Renewal in accordance with the New Cingular Wireless Lease or (c) both fail to exercise their renewals as aforesaid and suitable replacement tenants are not found for the Prentice Hall Space and the New Cingular Wireless Space, as applicable, in accordance with Paragraph 26 hereof.

2. Without in any way limiting the liability of Guarantor under (x) that certain Recourse Liabilities Guaranty in favor of Lender of even date herewith (the **Recourse Liabilities Guaranty**) or (y) that certain Environmental and ERISA Indemnity Agreement made by Guarantor and Borrower in favor of Lender of even date herewith (the **Environmental Indemnity**), in the event Borrower fails to pay the Recourse Guaranteed Amount, Guarantor shall upon written demand (not later than five (5) days after written demand) of Lender promptly and with due diligence pay to and for the benefit of Lender all of the Recourse Guaranteed Amount, and, in addition, Guarantor further agrees to pay any and all Costs incurred or expended by Lender in collecting any of the Recourse Guaranteed Amount or in enforcing any right granted hereunder.

3. Guarantor's liability under this Guaranty shall be fully recourse and is expressly not subject to, or limited by, any limitations on Borrower's liability set forth in the Note, and Guarantor agrees and acknowledges that Lender is relying upon the full recourse nature of this Guaranty in making the Loan to Borrower. Further, the scope of this Guaranty shall in no way affect or limit any liability of Guarantor (i) in its capacity as an "Recourse Party" under Paragraphs 8 and 9 of the Note, (ii) in its capacity as a guarantor under the Recourse Liabilities Guaranty, or (iii) in its capacity as an "Indemnitor" under the Environmental Indemnity.

4. In the event that Lender elects to foreclose, to accept a deed-in-lieu of foreclosure under the Instrument or if the Review Period (as defined below) shall pass without Lender commencing or completing a foreclosure proceeding and thereby a Valid Tender is effected, Guarantor hereby acknowledges and agrees that Guarantor's recourse liability under this Guaranty as determined above shall be calculated after deduction from the outstanding Obligations (including, but not limited to, all principal, accrued interest, Prepayment Premium [as defined in the Note], advances and other charges) of (i) the amount of money bid by or received by Lender at a foreclosure sale, or (ii) the value of the Property and any other property received by Lender as consideration for acceptance of a deed-in-lieu of foreclosure. With respect thereto and any enforcement of this Guaranty that arises from and after the date on which both (y) the Applicable Prentice Hall Principal Liability is greater than zero (\$0.00), or the Prentice Hall Renewal has been exercised by Prentice Hall in accordance with the Prentice Hall Lease and Borrower has delivered the Prentice Hall Renewal Documents to Lender to evidence such renewal and/or suitable replacement tenants have been found for the Prentice Hall Space in accordance with Paragraph 26 hereof, resulting in no possibility of Applicable Prentice Hall Principal Liability arising hereunder, and (z) the Applicable New Cingular Wireless Principal Liability is greater than zero (\$0.00), or the New Cingular Wireless Renewal has been exercised by New Cingular Wireless in accordance with the New Cingular Wireless Lease and Borrower has delivered the New Cingular Wireless Renewal Documents to Lender to evidence such renewal and/or suitable replacement tenants have been found for the New Cingular Wireless Space in accordance with Paragraph 26 hereof, resulting in no possibility of Applicable New Cingular Wireless Principal Liability arising hereunder, or, if only one of the conditions contained in clauses (y) and (z) has occurred, if Borrower issues a Deed in Lieu Schedule Applicable Principal Liability Trigger Notice (thereby triggering both full Applicable Principal Liability hereunder as set forth below in the definition of Deed in Lieu Schedule Applicable Principal Liability Trigger Notice, and permitting Borrower and Guarantor the option to commence the process set forth in the remainder of this Section 4), Guarantor and Lender hereby agree as follows (and if both (A) the Prentice Hall Renewal has been exercised by Prentice Hall in accordance with the Prentice Hall Lease and Borrower has delivered the Prentice Hall Renewal Documents to Lender to evidence such renewal and/or suitable replacement tenants have been found for the Prentice Hall Space in accordance with Paragraph 26 hereof or Prentice Hall has rejected the Prentice Hall Lease prior to the Prentice Hall Renewal Deadline after Prentice Hall files a petition in bankruptcy as set forth in subparagraph (B) of the definition of Applicable Prentice Hall Principal Liability, resulting in no possibility of Applicable Prentice Hall Principal Liability arising hereunder, and (B) the New Cingular Wireless Renewal has been exercised by New Cingular Wireless in accordance with the New Cingular Wireless Lease and Borrower has delivered the New Cingular Wireless Renewal Documents to Lender to evidence such renewal and/or suitable replacement tenants have been found for the New Cingular Wireless Space in accordance with Paragraph 26 hereof or New Cingular Wireless has rejected the New Cingular Wireless Lease prior to the New Cingular Wireless Renewal Deadline after New Cingular Wireless files a petition in bankruptcy as set forth in subparagraph (B) of the definition of Applicable New Cingular Wireless Principal Liability, resulting in no possibility of Applicable New Cingular Wireless Principal Liability arising hereunder, then the following provisions of this Paragraph 4 shall have no further force or effect):

(a) Deed in Lieu / Foreclosure Definitions. The following terms shall have the meanings set forth below with respect to this Guaranty and such valuation:

“**Conveyance Date**” means the earliest to occur of: (i) the later of (a) the date on which title vests in the purchaser at the foreclosure sale of the Property pursuant to the Instrument, or (b) the date on which Borrower’s statutory right of redemption shall expire or be waived; (ii) a Valid Tender Date; or (iii) the date of Deed in Lieu Closing.

“**Deed in Lieu Agreement**” means an Agreement Regarding Transfer in Lieu of Foreclosure between, on the one hand, Borrower and Guarantor (as defined in the Loan Agreement), and, on the other, Lender, in form and substance acceptable to Lender, duly executed and delivered by the parties thereto, which Agreement shall set forth true, correct and complete copies of the Deed in Lieu Schedule and the forms of the Deed in Lieu Documents, as the same have been approved by Lender.

“**Deed in Lieu Schedule**” means schedules prepared by Borrower, in form and substance reasonably acceptable to Lender, which schedules shall be certified by a representation and warranty of Borrower (to the best knowledge of Borrower after inquiry of Borrower’s management and leasing personnel regarding the information below) as containing true, correct and complete of the following information:

- (i) Rent Rolls for the Property;
- (ii) lists of all Leases and all amendments, modifications, subleases, consents, waivers, assignments and subleases with respect thereto (copies of which must be delivered to Lender in connection therewith, together with Borrower’s current “bible” abstracts for each lease, with originals to be delivered to Lender upon any Deed in Lieu Closing);



- (iii) lists of all contracts relating to the Property and all amendments, modifications, consents, waivers and assignments with respect thereto (copies of which must be delivered to Lender in connection therewith, with originals to be delivered to Lender upon any Deed in Lieu Closing);
- (iv) lists of any and all uncured notices of violation of any law, regulation, ordinance, lease, contract, covenant, condition or insurance policy received by Borrower, together with a true, correct and complete copy thereof; and
- (v) lists of any and all unpaid existing or future obligations to tenants, together with copies of all documents (contracts, bids, budgets, proposals) related thereto, with originals to be delivered to Lender upon any Deed in Lieu Closing;
- (vi) an inventory of all books and records of Borrower or Guarantor with respect to the Property to the extent not included in the foregoing items; and
- (vii) such other information with respect to the Property as Lender may reasonably require.

**“Deed in Lieu Agreement Deliveries”** means the execution and delivery of the Deed in Lieu Agreement by Borrower and Lender, together with any deliveries to be made thereunder as of the execution and delivery thereof.

**“Deed in Lieu Foreclosure Analysis Period”** means the period of time from the date of an Event of Default until ninety (90) days thereafter, during which Lender shall review the items Lender requires in a remedial or enforcement action, including, but not limited to, those items to be delivered in Deed in Lieu Schedule Deliveries in order to confirm the completion and accuracy thereof, and any other information that Lender is entitled to review under the Loan Document or with respect to any remedial or enforcement action.

**“Deed in Lieu Schedule Deliveries”** means the following items to be delivered to Lender in connection with the Deed in Lieu Schedule:

- (i) a written certification from Borrower in favor of Lender consistent with Section 3.16 of the Instrument, duly executed and delivered, and completed with all information to be set forth as described therein, with true, correct and complete copies of applicable attachments; and
- (ii) true, correct and complete copies of all items disclosed on the schedules to the Deed in Lieu Schedule; and
- (iii) if applicable, a Deed in Lieu Schedule Applicable Principal Liability Trigger Notice.

On or before fifteen (15) days after delivery of the Deed in Lieu Schedule Deliveries to Lender, Lender shall deliver to Borrower and Guarantor drafts of the Deed in Lieu Agreement and the Deed in Lieu Documents.

**“Deed in Lieu Schedule Applicable Principal Liability Trigger Notice”** means that Borrower has duly executed and delivered to Lender in writing a notice setting forth that (a) if the Applicable Prentice Hall Principal Liability is then zero (\$0.00) as set forth above solely because the Prentice Hall Renewal Deadline has not yet occurred (and not because of a relinquishment, termination, amendment, modification or cancellation of the Prentice Hall Lease or other waiver of or any failure of conditions precedent under the Prentice Hall Lease applicable to the right to exercise the Prentice Hall Renewal as set forth in subparagraph (B) of the definition of Applicable Prentice Hall Principal Liability that occurs by virtue of Prentice Hall rejecting the Prentice Hall Lease prior to the Prentice Hall Renewal Deadline after Prentice Hall files a petition in bankruptcy), that from and after such notice, the Applicable Prentice Hall Principal Liability shall be \$42,000,000, as if one of the circumstances set forth in clause (B)(1), (2) or (3) of the definition of Applicable Prentice Hall Principal Liability has occurred, but subject to reduction thereafter prior to payment pursuant to the terms of subparagraph (C) of such definition and/or Paragraph 26 below, and (b) if the Applicable New Cingular Wireless Principal Liability is then zero (\$0.00) as set forth above solely because the New Cingular Wireless Renewal Deadline has not yet occurred (and not because of a relinquishment, termination, amendment, modification or cancellation of the New Cingular Wireless Lease or other waiver of or any failure of conditions precedent under the New Cingular Wireless Lease applicable to the right to exercise the New Cingular Wireless Renewal as set forth in subparagraph (B) of the definition of Applicable New Cingular Wireless Principal Liability occurs by virtue of New Cingular Wireless rejecting the New Cingular Wireless Lease prior to the New Cingular Wireless Renewal Deadline after New Cingular Wireless files a petition in bankruptcy), that from and after such notice, the Applicable New Cingular Wireless Principal Liability shall be \$19,125,000, as if one of the circumstances set forth in clause (B)(1), (2) or (3) of the definition of Applicable New Cingular Wireless Principal Liability has occurred, but subject to reduction thereafter prior to payment pursuant to the terms of subparagraph (C) of such definition and/or Paragraph 26 below.

**“Deed in Lieu Closing”** means the closing of the conveyance of the Property to Lender or Lender’s designee by Borrower in lieu of foreclosure pursuant to a Deed in Lieu Agreement and Deed in Lieu Closing Deliveries.

**“Deed in Lieu Closing Deliveries”** means the following items to be delivered to Lender in connection with a Deed in Lieu Closing:

- (i) the Deed in Lieu Documents;
- (ii) to the extent in Borrower’s possession or control (and any items not in Borrower’s possession or control must be noted in connection with the Deed in Lieu Agreement), all original documents, including all leases, contracts, books and records and other items scheduled in the Deed in Lieu Agreement, or to be scheduled in the Deed in Lieu Agreement pursuant to the definition thereof, together with all keys and codes for security, maintenance and operating systems at or for the Property;
- (iii) issuance of Owner’s Title Insurance Policies in the name of Lender or Lender’s designee (and, if and to the extent permitted by First American Title Insurance Company, Lender shall endeavor to have such insurance issued at “reissue” rates), subject to no liens, exceptions or encumbrances not previously approved in writing by Lender or permitted without Lender’s consent pursuant to the Loan documents (title to the Property must be in the same condition as approved by Lender on the date hereof, as evidenced by Lender’s mortgagee title insurance policy, subject only to subsequent liens and encumbrances previously approved by Lender or permitted without Lender’s consent pursuant to the Instrument, and only to the extent in compliance with the Documents and the Deed in Lieu Agreement), and endorsement of the existing Mortgagee Title Insurance Policies to update the status of title thereunder, and to add “non-merger” endorsements acceptable to Lender (insuring that the Deed in Lieu Closing and Deed in Lieu Documents have not merged with the Instrument, and that the Instrument remains a valid lien on the Property); and

- (iv) any other items reasonably required by Lender or Lender's title insurance company, including, but not limited to, any lien waivers, lien releases, contractor's affidavits or similar items required to cure any outstanding title matters.

Lender shall be relying on the Deed in Lieu Schedule Deliveries, the Deed in Lieu Agreement, the Deed in Lieu Documents and the Deed in Lieu Closing Deliveries, and, accordingly, Borrower and Guarantor shall have liability for the representations, warranties and covenants of Borrower and Guarantor as therein set forth, subject to any limitations thereon as may be set forth therein (and the survival period for representations and warranties thereunder, other than the Covenant Against Grantor's Acts in the Deed, shall be limited to one (1) year).

**"Deed in Lieu Documents"** means the following documents to be delivered at the Deed in Lieu Closing by Borrower and/or Guarantor to Lender or Lender's designee in connection with a transfer in lieu of foreclosure, all in form and substance acceptable to Lender, and all duly executed and delivered by the applicable parties thereto (and, at Lender or Lender's designee's option, the following items (with the exception of the Deed in Lieu Guaranty Payment) that are to be executed and delivered by Borrower and/or Guarantor shall be deposited into an escrow with Lender's attorney during the Review Period upon or after execution and delivery of the Deed in Lieu Agreement):

- (i) a Bargain and Sale Deed (with Covenant Against Grantor's Acts) conveying good and marketable title to the Property to Lender, together with an affidavit of consideration and any other documents necessary to complete the conveyance and confirm the amount of any transfer tax (including a RTF-1 form and Seller's Residency Certification/Exemption form, and Lender shall execute the RTF-IEE Affidavit of Consideration);
- (ii) a Bill of Sale conveying title to the personal property covered by the Instrument;
- (iii) an Assignment of Contracts conveying Borrower's interest in all contracts relating to the Property, which shall be specified in such assignment and each of which shall be subject to the approval of Lender;
- (iv) a Non-Foreign Affidavit of each party conveying real property;
- (v) Notices to Tenants and Contract Parties with respect to such conveyance;
- (vi) Title Affidavits and Gap Indemnities as required by the Title Insurance Company in connection with the issuance, or endorsement, of the applicable Title Insurance Policies;

- (vii) Evidence of Authority of each Borrower and Guarantor;
- (viii) Termination of all Management Agreements and other contracts not approved by Lender;
- (ix) Agreement Regarding Value with respect to the value of the Property;
- (x) the Deed in Lieu Guaranty Payment, determined as of the Conveyance Date;
- (xi) a full Release of Lender, and, upon completion of the Deed in Lieu Closing, a Release of Guarantor in favor of Guarantor and a Covenant Not to Sue in favor of Borrower (each subject to the surviving obligations of Borrower and Guarantor under the Deed in Lieu Agreement and the Deed in Lieu Documents);
- (xii) an agreement setting forth confirmation of the absolute nature of the conveyance, together with a legal opinion with respect thereto and the conveyance.
- (xiii) payment of closing costs (any transfer tax, lien searches, title costs and premiums and inspection costs, appraisal costs, costs of physical and environmental inspections, and Lender's reasonable attorneys fees); provided, however, if and to the extent permitted by the title insurance company issuing the owner's policy of title insurance and available at a discount to two owner's policies of title insurance, Lender shall endeavor to have the owner's policy of insurance issued at as an "open commitment", pursuant to which such commitment commits (for a period of not less than two years) to insure both (A) the transfer of title to the Property at the Deed in Lieu Closing, and (B) the subsequent transfer to a third party buyer, with Borrower responsible for 50% of such premium for such "open" commitment in such event;
- (xiv) any other documents to be delivered at closing under the Deed in Lieu Agreement or the Deed in Lieu Schedule; and
- (xv) any other documents reasonably required by Lender or Lender's title insurance company.

**"Deed in Lieu Guaranty Payment"** means payment of the amounts due under the Recourse Carveout Guaranties (as defined in the Loan Agreement) and this Guaranty as of the Conveyance Date.

**"Review Period"** means the period of time from the date of the Tender and concluding on the later of (a) if Lender commences a foreclosure action with respect to the Property by the end of the Deed in Lieu Foreclosure Analysis Period, the period of two hundred seventy (270) days after the end of the Deed in Lieu Foreclosure Analysis Period, or (b) if Lender does not commence a foreclosure action with respect to the Property by the end of the Deed in Lieu Foreclosure Analysis Period, ninety (90) days after the date of the Tender; provided that in either event the Review Period shall end as of the date of acceptance of the Tender by Lender or Lender's designee as evidenced by the execution and delivery of the Deed in Lieu Agreement by Borrower, Guarantor and Lenders, including tender by Borrower and Guarantors of the Deed in Lieu Agreement Deliveries.

“**Tender**” means the tender by Borrower and Guarantors of the Deed in Lieu Schedule Deliveries (including all of the items described therein).

“**Valid Foreclosure Cooperation**” means (x) Borrower shall not voluntarily cause or create any liens on the Property, (y) there shall be no contest, delay, or other hindrance or opposition by Borrower, Guarantor or any affiliate thereof (nor any collusion by Borrower, Guarantor or any affiliate thereof with any third party in any contest, delay, or other hindrance or opposition) to any of Lender’s remedial or enforcement actions in accordance with the Loan Documents, including, but not limited to, foreclosure and placing a receiver to operate the Property, and no failure, within two (2) business days, to consent to any remedial or enforcement action in accordance with the Loan Documents proposed by Lender in writing, nor any breach or violation by Borrower or Guarantor of any orders or interim agreements entered into in such remedial or enforcement actions, and (z) Borrower shall not be or become a debtor in any bankruptcy proceeding or the subject of any other insolvency proceeding (other than a bankruptcy or other insolvency proceeding commenced by Lender or any of their Affiliates).

“**Valid Tender**” means either of (the first to occur of) (A) (i) a Tender, and (ii) the passage of the Review Period, during which period there shall be no breach of the Valid Foreclosure Cooperation condition, or (B) the execution and delivery of the Deed in Lieu Agreement by Borrower, Guarantor and Lenders, including tender by Borrower and Guarantors of the Deed in Lieu Agreement Deliveries, provided that from and after such date an until Deed in Lieu Closing there shall be no breach of the Valid Foreclosure Cooperation condition.

“**Valid Tender Date**” means the date on which a Tender becomes a Valid Tender.

- (b) Due Diligence Review. Lender or Lender’s designee shall have the Review Period to accept or reject a Deed in Lieu Closing, in order to enable Lender or Lender’s designee to conduct all due diligence with respect to the Property and the Deed in Lieu Closing that Lender or Lender’s designee may require, including, but not limited to, review of title to the Property, analysis of the leasing of the Property, physical inspection of the Property, evaluation of any construction work in progress (and documentation of the status thereof, including the remaining scope of work and outstanding payments thereunder), obtaining an environmental assessment of the Property, obtaining such estoppels from tenants or contract parties as Lender may require, review, inspect and audit of the books and records of the Property, and an appraisal of the Property, as determined by the MAI appraiser in accordance herewith. Lender shall order an appraisal to be completed within ninety (90) days of a Tender, subject to updating as of the Conveyance Date if desired by Lender. If Lender or Lender’s designee reject a Deed in Lieu Closing on account of any items disclosed in such review, then the Tender shall be deemed to be rejected and Lender shall have no obligation to accept the transfer in lieu of foreclosure, but a Valid Tender shall remain a Valid Tender despite such rejection, and in such event the value of the Property as set forth in Lender’s MAI appraisal of the Property shall be adjusted by the impact of such matters discovered in such due diligence review, as determined by the MAI appraiser.
- (c) Tax and Assessment Obligations. Borrower’s and Guarantor’s liability for the payment of taxes and assessments under Section 8(b) of the Note (including the pro-rata share of then current real estate taxes and assessments) shall cease as to taxes and assessments that arise or accrue from and after the ninety (90) days after the date of the Tender, but only if there shall be no breach of the Valid Foreclosure Cooperation condition from and after the date of the Tender.

- (d) Reduction of Applicable Principal Liability. From and after the Valid Tender Date, Lender agrees that if Lender collects amounts under the Cash Management Agreement (as defined in the Loan Agreement) and applies such amounts to reduce the principal balance of the Obligations, then, so long as there shall be no breach of the Valid Foreclosure Cooperation condition, the Applicable Principal Liability shall be reduced, on a dollar for dollar basis, by the amounts so allocated to the reduction of the principal balance of the Obligations, such amounts to be allocated on a pro rata basis between the Applicable Prentice Hall Principal Liability and the Applicable New Cingular Wireless Principal Liability, if applicable.
- (e) Recourse Guaranteed Amount. Notwithstanding any provision contained or implied herein to the contrary, Lender and Guarantor agree that the Recourse Guaranteed Amount which may become due under this Guaranty shall be determined and fixed as of the Conveyance Date (and projected, as necessary to as of the Conveyance Date). Such amount shall be paid to Lender as of the following, as applicable, the date of Deed in Lieu Closing, or, if there is no Deed in Lieu Closing, promptly after demand of Lender on or after the Valid Tender Date (if the Valid Tender Date is established by a method other than the date of the Deed in Lieu Closing), and Guarantor's payment to Lender of such determined and fixed Recourse Guaranteed Amount shall constitute Guarantor's performance in full of its obligations under this Guaranty.
- (f) Default Interest. From and after ninety (90) days after the date of the Tender, but only if there shall be no breach of the Valid Foreclosure Cooperation condition from and after the date of the Tender, Lender agrees that Lender shall forebear from collection of Default Interest and shall instead require payment of only base interest; provided, however, if at any time such conditions fail, then all such Default Interest shall be reinstated and the forbearance shall terminate.
- (g) Operating Expenses Required for Lease Compliance. From and after ninety (90) days after the date of an Event of Default (and provided Borrower has made a Tender to Lender within such ninety (90) day period), but only if there shall be no breach of the Valid Foreclosure Cooperation condition from and after the date of the Tender, Lender agrees that provided that, and for so long as, Lender or a receiver selected by Lender receives and controls all of the Property revenue through the cash management system set forth in the Cash Management Agreement or other collection mechanism approved by Lender in Lender's sole discretion, then Lender or such receiver shall apply such revenue towards the payment of such operating expenses related to ongoing property operation to the extent sufficient to meet the operating expense recommendations of the receiver selected by Lender or, if a receiver has not been appointed, the operating expense recommendations of the property manager engaged by Lender, and provided that revenue from the Property is sufficient to fund such utilities and operating expenses. If Borrower and Guarantor believe that any utilities or operating expenses should be paid in excess of those for which Lender has provided funding as set forth above during such period, Borrower and Guarantor may provide Lender with written notice requesting such funding of additional expenses, which Lender shall consider and shall deliver to such receiver or property manager, as applicable.

5. In the event that Lender accepts a deed-in-lieu of foreclosure, the value of the Property and any other property received by Lender shall be conclusively determined by an independent MAI appraiser, selected by Lender in its sole discretion, having not less than five (5) years' experience in appraising commercial real estate in the area where the Land is located, unless in connection with such acceptance of such deed-in-lieu of foreclosure Lender agrees to an alternate valuation. The fees and costs of said MAI appraiser shall be paid by Borrower.

6. Guarantor's recourse liability under this Guaranty shall continue with respect to any and all Obligations, but only up to the Recourse Guaranteed Amount, until Lender has been paid the full amount of the Obligations from any person or entity at the time of foreclosure or following an Event of Default; provided, however, that Guarantor's recourse liability under this Guaranty shall be in addition to, and not in lieu of, any liability or obligations of Guarantor under any other document or other instrument delivered by Guarantor in connection with the Loan. Guarantor agrees that no portion of any sums applied, from time to time, in reduction of the Loan (other than sums paid by Guarantor pursuant to the provisions of this Guaranty after demand therefore from Lender) shall be deemed to have been applied in reduction of the Recourse Guaranteed Amount until such time as that portion of the Loan which is not the Recourse Guaranteed Amount has been paid in full, it being the intention hereof that the Recourse Guaranteed Amount shall be the last portion of the Loan to be paid and that this Guaranty shall remain in full force and effect and shall not be deemed discharged until the date upon which all of the obligations and liabilities of Guarantor under this Guaranty shall have been performed and discharged by Guarantor in accordance with the provisions of this Guaranty. Guarantor hereby acknowledges and agrees that Lender shall have the option of pursuing either or both of the following options:

- (i) In the event Lender elects to foreclose under any applicable Instrument or to accept a deed in lieu of foreclosure thereunder, Guarantor hereby acknowledges and agrees that Guarantor's recourse liability as determined above shall be calculated after deducting from the outstanding indebtedness (including, but not limited to, all principal, accrued interest, Prepayment Premium, advances and other charges) (A) in the event Lender elects to foreclose, the amount of money bid by or received by Lender at a foreclosure sale, or (B) in the event Lender elects to accept a deed in lieu of foreclosure, the value of the Property and any other property received by Lender as consideration for acceptance of a deed in lieu of foreclosure, as agreed upon by Lender and Guarantor in connection therewith (or as determined by the independent MAI appraiser referred to in Paragraph 5 above); and/or
- (ii) Guarantor hereby acknowledges and agrees that Lender shall have the right to seek collection of the recourse portion of the Loan under this Guaranty (which shall not exceed the Recourse Guaranteed Amount) from Guarantor without the commencement of any foreclosure proceedings.

7. Guarantor's recourse liability for the Recourse Guaranteed Amount (which amount may be zero from time to time, and may be reduced to zero pursuant to Paragraph 26 of this Guaranty) shall continue until Lender has been paid in full.

8. Guarantor expressly waives presentment for payment, demand, notice of demand and of dishonor and nonpayment of the Obligations, notice of intention to accelerate the maturity of the Obligations or any part thereof, notice of disposition of collateral, notice of acceleration of the maturity of the Obligations or any part thereof, protest and notice of protest, diligence in collecting, and the bringing of suit against any other party. Guarantor agrees that Lender shall be under no obligation to: (i) notify Guarantor of its acceptance of this Guaranty or of any advances made or credit extended on the faith of this Guaranty; (ii) notify Guarantor of Borrower's failure to make payments due under the Note as it matures or the failure of Borrower to pay any of the Obligations as they mature or any default in performance of any obligations required by the Note, the Instrument or any other Document; (iii) use diligence in preserving the liability of any person with respect to the Obligations, or with respect to the Note, the Instrument or any other Document; (iv) use diligence in collecting payments or demanding performance required by the terms of the Note, the Instrument or any other Document; or (v) bring suit against, or take any other action against, any party to enforce collection of the Note, the Instrument or any other Document.

9. Guarantor waives all legal defenses (at law or in equity) given or available to sureties or guarantors other than the actual payment in full of all Obligations, and waives all legal defenses (at law or in equity) based upon the validity, legality or enforceability of the Note, the Instrument or any other Document (including, without limitation, any claim that the Note, the Instrument or any other Document is or was in any way usurious), or otherwise with respect to the following actions with respect to the Obligations, as to which Guarantor consents that Lender may from time to time, before or after any default by the Borrower, with or without further notice to or assent from Guarantor:

- (a) exchange with, release or surrender, either with or without consideration, to the Borrower or to any Guarantor, pledgor or grantor any collateral, or waive, release or subordinate any security interest, in whole or in part, now or hereafter held as security for the Loan and/or any of the Obligations;
- (b) waive or delay the exercise of any of its rights or remedies against any person or entity, including but not limited to the Borrower and/or any guarantor, which waiver or delay shall not preclude the Lender from further exercise of any of its rights, powers or privileges expressly provided for herein or otherwise available, it being understood that all such rights and remedies are cumulative;
- (c) release, either fully or partially, any person or entity, including but not limited to the Borrower, guarantor, endorser, surety or any judgment debtor;
- (d) proceed against the Guarantor for payment of the Recourse Guaranteed Amount, without first proceeding against or joining the Borrower, any other guarantor, surety, endorser of the Note, or any property securing payment of the Note, the Instrument, or any other Loan Documents;
- (e) renew, extend or modify the terms of the Loan or any instrument or agreement evidencing the Loan and/or any of the Obligations;
- (f) apply payments by the Borrower, the Guarantor, or any other person or entity to the reduction of the Loan and/or Obligations in such manner and in such amounts and at such time or times and in such order and priority as Lender shall determine;
- (g) permit any sale, transfer or encumbrance of the Property or any part thereof; and



(h) generally deal with the Borrower or any of the security or other person or party as the Lender shall determine.

The Guarantor hereby ratifies and confirms any such exchange, release, surrender, subordination, waiver, delay, proceeding, renewal, extension, modification or application, or other dealing, all of which actions shall be binding upon Guarantor who hereby waives all defenses, counterclaims or set-offs which Guarantor might otherwise have as a result of such actions, and who hereby agrees to remain bound under this Guaranty. In accordance with the terms of this Guaranty, Guarantor agrees and acknowledges that it shall be primarily liable for payment of the Recourse Guaranteed Amount (subject only to the limitations set forth above) in the event of default or foreclosure.

10. Guarantor acknowledges and agrees that from time to time, at Lender's discretion, with or without valuable consideration, without authorization from or notice to Guarantor, and without impairing, modifying, releasing, limiting or otherwise affecting Guarantor's liability under this Guaranty, Lender may: (i) alter, compromise, accelerate, renew, extend or change the time or manner for the payment of any or all of the Obligations due under the Note, the Instrument or any other Document; (ii) increase or reduce the rate of interest with respect to the Note or Loan; (iii) take and surrender security, exchange security by way of substitution, or in any way Lender deems necessary take, accept, withdraw, subordinate, alter, amend, modify or eliminate security; (iv) add or release or discharge endorsers, guarantors or other obligors; (v) make changes of any kind whatsoever in the terms of the Note, the Instrument or any other Document; (vi) make changes of any kind whatsoever in the manner Lender does business with Borrower; (vii) settle or compromise with Borrower or any other person(s) liable on the Note, the Instrument or any other Document on such terms as Lender determines; (viii) apply all moneys received from Borrower or others, or from any security held (whether or not held under a mortgage, deed of trust, deed to secure debt or other instrument), in such manner upon the Note or upon any other obligation arising under the Instrument or any other Document (whether then due or not) as Lender determines to be in its best interest, and without in any way being required to marshal securities or assets or to apply all or any part of such moneys upon any particular part of the Note, the Instrument or any other Document, except to the extent as may be expressly provided therein.

11. Guarantor agrees that Lender is not required to retain, hold, protect, exercise due care with respect to, perfect security interests in, or otherwise assure or safeguard any security for the Note or the Loan. Guarantor agrees and acknowledges that Lender's failure to do any of the foregoing and Lender's failure to exercise any other right or remedy available to Lender shall in no way affect or alter any of Guarantor's obligations under this Guaranty or any security furnished by Guarantor, or give Guarantor any recourse against Lender.

12. Guarantor agrees that its liability under this Guaranty shall not be modified, changed, released, limited or impaired in any manner whatsoever on account of any or all of the following: (i) the incapacity, death, disability, dissolution or termination of Guarantor, Borrower, Lender or any other person or entity; (ii) the failure by Lender to file or enforce a claim against the estate (either in administration, bankruptcy or other proceeding) of Borrower or any other person or entity; (iii) the inability of Lender, Guarantor or any other person or entity to recover from Borrower or any other party due to the expiration of any statute of limitations or due to any other cause whatsoever; (iv) the claim or assertion (whether or not successful) by Borrower or any other person or entity of any available defenses, set-off rights or counterclaims (other than payment in full of the Obligations) during any judicial, arbitration, or mediation proceeding; (v) the transfer(s) of any portion of the Property encumbered by the Instrument or of any other secured collateral by other instrument securing payment of the Obligations; (vi) any modifications, extensions, amendments, consents, releases or waivers with respect to the Note, the Instrument or any other Document, including, but not limited to, any other instrument that may now or hereafter secure the payment of the Obligations or this Guaranty; (vii) Lender's failure to give any notice to Guarantor of any default under the Note, the Instrument or any other Document, including, but not limited to, any other instrument securing the payment of the Obligations or this Guaranty; (viii) Guarantor is or becomes liable for any indebtedness owed by Borrower to Lender other than that which is secured by this Guaranty; or (ix) any impairment, modification, change, release or limitation of the liability of, or stay of actions or lien enforcement proceedings against, Borrower, its property, or its estate in bankruptcy resulting from the operation of any present or future provision of 11 U.S.C. §101 *et. seq.* or any other present or future federal or state insolvency, bankruptcy or similar law (all of the foregoing hereinafter collectively called "**Applicable Bankruptcy Law**") or from the decision of any court.

13. Guarantor agrees and acknowledges that Lender shall not be required to (i) pursue any other remedies before invoking the benefits of the guaranties contained in this Guaranty, or (ii) make demand upon or institute suit or otherwise pursue or exhaust its remedies against Borrower or any surety other than Guarantor or to proceed against any security now or hereafter existing for the payment of any of the Obligations. Guarantor also acknowledges that Lender may maintain an action on this Guaranty without joining Borrower in such action and without bringing a separate action against Borrower.

14. If the Note, the Instrument or any other Document cannot be enforced against Borrower for any reason whatsoever (including but not limited to the legal defenses of *ultra vires*, lack of authority, illegality, *force majeure*, act of God, usury or impossibility), such unenforceability shall not affect Guarantor's liability under this Guaranty. Guarantor agrees that it shall be liable to the extent provided in this Guaranty notwithstanding the fact that Borrower may be held not to be liable for such Obligations or not liable to the same extent as Guarantor's liability.

15. Guarantor agrees that in the event that Borrower does not or otherwise is unable to pay the Obligations for any reason (including, without limitation, liquidation, dissolution, receivership, conservatorship, insolvency, bankruptcy, assignment for the benefit of creditors, sale of all or substantially all assets, reorganization, arrangement, composition, or readjustment of, or other similar proceedings affecting the status, composition, identity, existence, assets or obligations of Borrower, or the disaffirmance or termination of any of the Obligations in or as a result of any such proceeding), Guarantor shall pay the Obligations to the extent provided by the terms of this Guaranty and such occurrence shall in no way affect Guarantor's obligations under this Guaranty.

16. Should the status, structure or composition of Borrower change, Guarantor agrees that this Guaranty shall continue and shall also cover the Recourse Guaranteed Amount of the Obligations of Borrower under the new status, structure or composition of Borrower, or of Borrower's successor. This Guaranty shall remain in full force and effect notwithstanding any transfer of the Property encumbered by the Instrument.

17. In the event any payment by Borrower to Lender is held to constitute a preference under any Applicable Bankruptcy Law, or if for any other reason Lender is required to refund or does refund such payment or pay such amount to any other party, Guarantor acknowledges that such payment by Borrower to Lender shall not constitute a release of Guarantor from any liability under this Guaranty, but Guarantor agrees to pay such amount to Lender upon demand and this Guaranty shall continue to be effective or shall be reinstated, as the case may be, to the extent of any such payment or payments.

18. Guarantor agrees that it shall not have (i) the right to the benefit of, or to direct the application of, any security held by Lender (including the Property covered, conveyed or encumbered by the Instrument and any other instrument securing the payment of the Obligations), (ii) any right to enforce any remedy which Lender now has or hereafter may have against Borrower, or (iii) any right to participate in any security now or hereafter held by Lender.

19. Guarantor also agrees that it shall not have (i) any defense arising out of the absence, impairment or loss of any right of reimbursement or subrogation or other right or remedy of Guarantor against Borrower or against any security resulting from the exercise or election of any remedies by Lender (including the exercise of the power of sale under the Instrument), or (ii) any defense arising by reason of any disability or other defense of Borrower or by reason of the cessation, from any cause (other than as a result of payment in full of the Obligations), of Borrower's liability under the Note, the Instrument or any other Document.

20. Guarantor agrees that any payment it makes of any amount pursuant to this Guaranty shall not in any way entitle Guarantor to any right, title or interest (whether by way of subrogation or otherwise) in and to the Note, the Instrument or any other Document, or any proceeds attributable to the Note, the Instrument or any other Document, unless and until the full amount of the Obligations owing to Lender has been fully paid. At such time as the full amount of the Obligations owing to Lender has been fully paid, Guarantor shall be subrogated as to any payments made by it to Lender's rights against Borrower and/or any endorsers, sureties or other guarantors. For the purposes of the preceding sentence only, the full amount of the Obligations shall not be deemed to have been paid in full by foreclosure of the Instrument or by acceptance of a deed-in-lieu of foreclosure, and Guarantor hereby waives and disclaims any interest which it might have in the Property encumbered by the Instrument or other collateral security for the Obligations, by subrogation or otherwise, following such foreclosure or Lender's acceptance of a deed-in-lieu of foreclosure.

21. Guarantor expressly subordinates its rights to payment of any indebtedness owing from Borrower to Guarantor (including, but not limited to, property management and construction management fees and leasing commissions, subject, however, to any rights under those certain Conditional Assignments of Management Agreement and Subordination of Management Agreement and Management Fees), whether now existing or arising at any time in the future, to the right of Lender to first receive or require payment of the Obligations in full (and including interest accruing on the Note after any petition under Applicable Bankruptcy Law, which post-petition interest Guarantor agrees shall remain a claim that is prior and superior to any claim of Guarantor notwithstanding any contrary practice, custom or ruling in proceedings under such Applicable Bankruptcy Law). Guarantor further agrees, upon the occurrence of an Event of Default (subject, however, to any rights under those certain Conditional Assignments of Management Agreement and Subordination of Management Agreement and Management Fees), not to accept any payment or satisfaction of any kind of indebtedness of Borrower to Guarantor or any security for such indebtedness without Lender's prior written consent. If Guarantor should receive any such payment, satisfaction or security for any indebtedness owed by Borrower to Guarantor, Guarantor agrees to deliver the same without delay to Lender in the form received, endorsed or assigned for application on account of, or as security for, the Recourse Liability; until such payment, satisfaction or security is delivered, Guarantor agrees to hold the same in trust for Lender.

22. Under no circumstances shall the aggregate amount paid or agreed to be paid under this Guaranty exceed the highest lawful rate permitted under applicable usury law (the “**Maximum Rate**”) and the payment obligations of Guarantor hereunder are hereby limited accordingly. If under any circumstances, whether by reason of advancement or acceleration of the unpaid principal balance of the Note or otherwise, the aggregate amounts paid hereunder shall include amounts which by law are deemed interest and which could exceed the Maximum Rate, Guarantor stipulates that payment and collection of such excess amounts shall have been and will be deemed to have been the result of a mistake on the part of both Guarantor and Lender, and Lender shall promptly credit such excess (only to the extent such interest payments are in excess of the Maximum Rate) against the unpaid principal balance of the Note, and any portion of such excess payments not capable of being so credited shall be refunded to Guarantor. The term “**applicable law**” as used in this paragraph shall mean the laws of the Property State (as such term is defined in the Instrument) or the laws of the United States, whichever laws allow the greater rate of interest, as such laws now exist or may be changed or amended or come into effect in the future.

23. Guarantor hereby represents, warrants and covenants to and with Lender as follows: (i) the making of the Loan by Lender to Borrower is and will be of direct interest, benefit and advantage to Guarantor; (ii) Guarantor is solvent, is not bankrupt and has no outstanding liens, garnishments, bankruptcies or court actions which could render Guarantor insolvent or bankrupt; (iii) there has not been filed by or against Guarantor a petition in bankruptcy or a petition or answer seeking an assignment for the benefit of creditors, the appointment of a receiver, trustee, custodian or liquidator with respect to Guarantor or any substantial portion of Guarantor’s property, reorganization, arrangement, rearrangement, composition, extension, liquidation or dissolution or similar relief under Applicable Bankruptcy Law; (iv) all reports, financial statements and other financial and other data which have been or may hereafter be furnished by Guarantor to Lender in connection with this Guaranty are or shall be true and correct in all material respects and do not and will not omit to state any fact or circumstance necessary to make the statements contained therein not misleading and do or shall fairly represent the financial condition of Guarantor as of the dates and the results of Guarantor’s operations for the periods for which the same are furnished, and no material adverse change has occurred since the dates of such reports, statements and other data in the financial condition of Guarantor; (v) the execution, delivery and performance of this Guaranty do not contravene, result in the breach of or constitute a default under any mortgage, deed of trust, lease, promissory note, loan agreement or other contract or agreement to which Guarantor is a party or by which Guarantor or any of its properties may be bound or affected and do not violate or contravene any law, order, decree, rule or regulation to which Guarantor is subject; (vi) there are no judicial or administrative actions, suits or proceedings pending or, to the best of Guarantor’s knowledge, threatened against or affecting Guarantor which would have a material adverse effect on either the Property or Borrower’s ability to perform its obligations or involving the validity, enforceability or priority of this Guaranty; and (vii) this Guaranty constitutes the legal, valid and binding obligation of Guarantor enforceable in accordance with its terms.

24. Guarantor will furnish to Lender the financial statements and other information as to Guarantor as are described in Section 3.15 of the Instrument, on or before the deadlines set forth therein. Guarantor will provide to Lender such other financial information and statements concerning Guarantor’s financial status as Lender may request from time to time, all of which shall be in form and substance acceptable to Lender. Guarantor shall be in default hereunder if there is any falsity in any material respect or any material omission in any representation or statement made by Guarantor to Lender or in any information furnished Lender, by or on behalf of Borrower or Guarantor, in connection with the Loan and/or any of the Obligations, as determined by Lender in its sole and absolute discretion.

25. Guarantor further agrees to the following:

- (a) Where two or more persons or entities have executed this Guaranty, unless the context clearly indicates otherwise, all references herein to "Guarantor" shall mean the guarantors hereunder or either or any of them. All of the obligations and liability of said guarantors hereunder shall be joint and several. Suit may be brought against said guarantors, jointly and severally, or against any one or more of them, or less than all of them, without impairing the rights of Lender against the other or others of said guarantors. Lender may compound with any one or more of said guarantors for such sums or sum as it may see fit and/or release such of said guarantors from all further liability to Lender for such indebtedness without impairing the right of Lender to demand and collect the balance of such indebtedness from the other or others of said guarantors not so compounded with or released. However, said guarantors agree that such compounding and release shall in no way impair the their rights as among themselves.
- (b) Except as otherwise provided herein, the rights of Lender are cumulative and shall not be exhausted by its exercise of any of its rights under this Guaranty or otherwise against Guarantor or by any number of successive actions, until and unless all Obligations have been paid and each of the obligations of Guarantor under this Guaranty have been performed.
- (c) Intentionally Omitted.
- (d) Any notice or communication required or permitted under this Guaranty shall be given in writing, sent by (i) personal delivery, or (ii) expedited delivery service with proof of delivery, or (iii) United States mail, postage prepaid, registered or certified mail, sent to the intended addressee at the address shown below, or to such other address or to the attention of such other person(s) as hereafter shall be designated in writing by the applicable party sent in accordance herewith. Any such notice or communication shall be deemed to have been given and received either at the time of personal delivery or, in the case of delivery service or mail, as of the date of first attempted delivery on a business day at the applicable address and in the manner provided herein.
- (e) This Guaranty shall be deemed to have been made under and shall be governed in all respects by the laws of the Property State.
- (f) This Guaranty may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All such counterparts shall be construed together and shall constitute one instrument, but in making proof hereof it shall only be necessary to produce one such counterpart.
- (g) This Guaranty may only be modified, waived, altered or amended by a written instrument or instruments executed by the party against which enforcement of said action is asserted. Any alleged modification, waiver, alteration or amendment which is not so documented shall not be effective as to any party.
- (h) The books and records of Lender showing the accounts between Lender and Borrower shall be admissible in any action or proceeding arising from this Guaranty as *prima facie* evidence for any claim whatsoever, absent manifest error.

(i) Guarantor waives and renounces any and all homestead or exemption rights Guarantor may have under the United States Constitution, the laws of the Property State, or the laws of any state as against Guarantor, and Guarantor transfers, conveys and assigns to Lender a sufficient amount of such homestead or exemption as may be allowed, including such homestead or exemption as may be set apart in bankruptcy, to pay and perform the obligations of Guarantor arising under this Guaranty. Guarantor hereby directs any trustee in bankruptcy having possession of such homestead or exemption to deliver to Lender a sufficient amount of property or money set apart as exempt to pay and perform such Guarantor obligations.

(j) The terms, provisions, covenants and conditions of this Guaranty shall be binding upon Guarantor, its heirs, devisees, representatives, successors and assigns, and shall inure to the benefit of Lender and Lender's transferees, credit participants, successors, assigns and/or endorsees.

(k) Within this Guaranty, the words of any gender shall be held and construed to include any other gender, and the words in the singular number shall be held and construed to include the plural and the words in the plural number shall be held and construed to include the singular, unless the context otherwise requires.

(l) A determination that any provision of this Guaranty is unenforceable or invalid shall not affect the enforceability or validity of any other provision, and any determination that the application of any provision of this Guaranty to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to any other persons or circumstances. Accordingly, the provisions of this Guaranty are declared to be severable.

26. Release or Reduction of Liability on Replacement Leases If one or both of Prentice Hall or New Cingular Wireless do not renew their leases, then Lender will consent to reductions in the Applicable Principal Liability in the amounts as set forth below:

- (a) If Borrower enters into a Prentice Hall Replacement Lease and satisfies the Prentice Hall Replacement Lease Requirements with respect thereto, then if such Prentice Hall Replacement Lease is for a minimum rental rate equal to or in excess of the Prentice Hall Full Release Rental, then, upon written request of Borrower or Guarantor, Lender shall consent to a reduction of the Applicable Prentice Hall Principal Liability equal to \$88.50 per square foot for the Prentice Hall Space so leased by such Prentice Hall Replacement Lease; alternatively, if such Prentice Hall Replacement Lease is for a minimum rental rate within the parameters of the Prentice Hall Half Release Rental, and Borrower satisfies the Prentice Hall Replacement Lease Requirements with respect thereto, then, upon written request of Borrower or Guarantor, Lender shall consent to a reduction of the Applicable Prentice Hall Principal Liability equal to \$44.25 per square foot for the Prentice Hall Space so leased by such Prentice Hall Replacement Lease;
- (b) If Borrower enters into a New Cingular Wireless Replacement Lease and satisfies the New Cingular Wireless Replacement Lease Requirements with respect thereto, then if such New Cingular Wireless Replacement Lease is for a minimum rental rate equal to or in excess of the New Cingular Wireless Full Release Rental, then, upon written request of Borrower or Guarantor, Lender shall consent to a reduction of the Applicable New Cingular Wireless Principal Liability equal to \$57.50 per square foot for the New Cingular Wireless Space so leased by such New Cingular Wireless Replacement Lease; alternatively, if such New Cingular Wireless Replacement Lease is for a minimum rental rate within the parameters of the New Cingular Wireless Half Release Rental, and Borrower satisfies the New Cingular Wireless Replacement Lease Requirements with respect thereto, then, upon written request of Borrower or Guarantor, Lender shall consent to a reduction of the Applicable New Cingular Wireless Principal Liability equal to \$28.75 per square foot for the New Cingular Wireless Space so leased by such New Cingular Wireless Replacement Lease;

27. Notwithstanding the foregoing, if Borrower provides and maintains the letter of credit or cash deposit in accordance with the provisions set forth in Section 3.3 of the Loan Agreement, Lender shall resort to collection solely under such letter of credit or cash deposit so long as Lender recovers under such letter of credit or cash deposit within two (2) business days after Lender's delivery of the draw request under the Letter of Credit or withdrawal request with respect to the cash deposit; in addition, if Lender resorts to collection also under this Guaranty and thereafter receives a draw under such letter of credit or withdrawal with respect to the cash deposit, such draw under such letter of credit or withdrawal with respect to the cash deposit shall reduce, pro tanto, the liability of Borrower and Guarantor under this Guaranty.

28. Borrower and Guarantor acknowledge and agree that this Guaranty and the recourse liability for the Recourse Guaranteed Amount, and each of the terms set forth above, have been reviewed and approved as acceptable to Borrower and Guarantor with respect to the risk that either Prentice Hall fails to exercise the Prentice Hall Renewal or New Cingular Wireless fails to exercise the New Cingular Wireless Renewal, and that the terms of this Guaranty are not, and are not to be construed in any manner as, any penalty or punishment, but as fair and reasonable terms to address the risk of such occurrences (which risks are difficult to ascertain), and as the valid and binding contractual agreement of Borrower and Guarantor with Lender regarding the recourse liability of Borrower and Guarantor in the event of such occurrence, in consideration of which the extension of the Loan on the terms set forth herein is based.

THIS GUARANTY is executed as of the date and year first above written.

**GUARANTOR:**

**MACK-CALI REALTY, L.P.**, a Delaware limited partnership

By: MACK-CALI REALTY CORPORATION, a Maryland corporation, General Partner

By: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

The address of Guarantor is:

Mack-Cali Realty, L.P.  
c/o Mack-Cali Realty Corporation  
343 Thornall Street  
Edison, New Jersey 08837  
Attn: Mitchell E. Hersh, President and Chief Executive Officer

With a copy to:

General Counsel  
Mack-Cali Realty Corporation  
343 Thornall St.  
Edison, New Jersey 08837  
Attention: Roger W. Thomas

The address of Lender is:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA AND VPCM, LLC  
c/o Prudential Asset Resources  
2100 Ross Avenue, Suite 2500  
Dallas, Texas 75201  
Attention: Asset Management Department; Reference Loan No. [Loan Number: \_\_\_\_\_]

With a copy to:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA  
c/o Prudential Asset Resources  
2100 Ross Avenue, Suite 2500  
Dallas, Texas 75201  
Attention: Legal Department; Reference Loan No. [Loan Number: \_\_\_\_\_]





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**MACK-CALI REALTY, L.P.**, a Delaware limited partnership, as mortgagor  
(Borrower)

to

**THE PRUDENTIAL INSURANCE COMPANY OF AMERICA** and **VPCM, LLC**, as mortgagee  
(Lender)

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**AMENDED, RESTATED AND CONSOLIDATED MORTGAGE AND SECURITY AGREEMENT**

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Dated: As of January 15, 2010

Location: \_\_\_\_\_

THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS AND SECURES OBLIGATIONS CONTAINING PROVISIONS FOR CHANGES IN INTEREST RATES, EXTENSIONS OF TIME FOR PAYMENT AND OTHER "MODIFICATIONS," AS DEFINED IN N.J. LAWS 1985, CH. 353, IN TERMS OF SUCH OBLIGATIONS. UPON ANY SUCH MODIFICATION, THIS INSTRUMENT SHALL HAVE THE BENEFIT OF THE LIEN PRIORITY PROVISIONS OF THAT LAW.

UPON RECORDATION RETURN TO:

Alston & Bird LLP  
One Atlantic Center  
1201 West Peachtree Street  
Atlanta, Georgia 30309-3424  
Attn: Albert E. Bender, Jr.  
Loan No. \_\_\_\_\_ and \_\_\_\_\_

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## **DEFINITIONS**

The terms set forth below are defined in the following sections of this Amended, Restated and Consolidated Mortgage and Security Agreement:

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Tenants	Section 9.05 (k)
Transaction Taxes	Section 3.03 (c)
U.C.C.	Section 2.02
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**AMENDED, RESTATED AND CONSOLIDATED MORTGAGE AND SECURITY AGREEMENT**

**THIS AMENDED, RESTATED AND CONSOLIDATED MORTGAGE AND SECURITY AGREEMENT** (this “**Instrument**”) is made as of January 15, 2010, by **MACK-CALI REALTY, L.P.**, a Delaware limited partnership, having its principal office and place of business at c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837, as mortgagor (“**Borrower**”), to **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation (“**Prudential**”), and **VPCM, LLC**, a Virginia limited liability company (“**VPCM**”), having an office at c/o Prudential Asset Resources, Inc., 2100 Ross Avenue, Suite 2500, Dallas, Texas 75201, Attention: Asset Management Department; Reference Loan No. \_\_\_\_\_ and \_\_\_\_\_, as mortgagee (collectively, “**Lender**”).

**W I T N E S S E T H:**

**WHEREAS**, Borrower is the owner of certain property lying and being in \_\_\_\_\_, and being more particularly described on **Exhibit A** attached hereto (the “**Property**”) and known as \_\_\_\_\_; and

**WHEREAS**, Borrower is the maker of that certain Amended and Restated Promissory Note dated as of November 12, 2004 in the original principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_) and payable to the order of Prudential, and of that certain Supplemental Promissory Note dated as of November 12, 2004 in the original principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_) and payable to the order of Prudential (collectively, the “**Existing Note**”; the loan evidenced by the Existing Note is herein referred to as the “**Existing Loan**”); and

**WHEREAS**, the Existing Note and Existing Loan are secured by a certain Mortgage and Security Agreement dated as of April 30, 1998 from Borrower in favor of Prudential, recorded in Mortgage Book \_\_\_\_, Page \_\_\_\_, in the real estate records of \_\_\_\_\_, covering the Property, as amended by that certain Modification of Mortgage and Security Agreement and Assignment of Leases and Rents dated as of November 12, 2004 between Borrower and Prudential, recorded in Mortgage Release Book \_\_\_\_, Page \_\_\_\_, and by a certain Supplemental Mortgage and Security Agreement dated as of November 12, 2004 from Borrower in favor of Prudential, recorded in Mortgage Book \_\_\_\_, Page \_\_\_\_, in the real estate records of \_\_\_\_\_, covering the Property (hereinafter referred to collectively as the “**Existing Security Instrument**”), which Existing Security Instrument is incorporated herein by this reference; and

**WHEREAS**, Prudential and Borrower and affiliates of Borrower entered into that certain Amended and Restated Master Loan Agreement dated as of November 12, 2004 (the “**Existing Loan Agreement**”) relating to seven (7) cross-collateralized and cross-defaulted loans in the aggregate original principal amount of \$150,000,000.00 (the “**Existing Loans**”), including the Existing Loan evidenced by the Existing Note, which other loans (other than the Existing Loan evidenced by the Existing Note) are guaranteed by Borrower pursuant to that certain Amended and Restated Irrevocable Cross-Collateral Guaranty of Payment and Performance dated as of November 12, 2004 made by Borrower in favor of Prudential (the “**Existing Cross-Collateral Guaranty**”).

**WHEREAS**, the Existing Cross-Collateral Guaranty is secured by a certain Second Priority Mortgage and Security Agreement (hereinafter referred to as the “**Cross-Collateral Mortgage**”) dated as of April 30, 1998 from Borrower in favor of Prudential, recorded in Mortgage Book \_\_\_\_, Page \_\_\_\_, in the real estate records of \_\_\_\_\_, covering the Property, as amended by that certain Modification of Second Priority Mortgage and Security Agreement dated as of November 12, 2004 between Borrower and Prudential, recorded in Mortgage Release Book \_\_\_\_, Page \_\_\_\_, which Cross-Collateral Mortgage is incorporated herein by this reference; and

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**WHEREAS**, as of the date hereof, Prudential has assigned to VPCM a one half interest in and to the Existing Loans, Existing Note, Existing Security Instrument, Existing Loan Agreement, Existing Cross-Collateral Guaranty, Cross-Collateral Mortgage and the other documents that further evidence or secure the indebtedness evidenced and secured thereby, so that Prudential and VPCM shall be co-lenders with respect to such indebtedness; and

**WHEREAS**, Borrower and affiliates of Borrower have of even date herewith executed and delivered to Lender an Amended and Restated Loan Agreement (the "Loan Agreement") relating to the refinancing of the seven (7) cross-collateralized and cross-defaulted Existing Loans under the Existing Loan Agreement, to amend and restate the terms thereof, and to re-allocate the loan amounts among the seven (7) cross-collateralized and cross-defaulted Existing Loans representing additional advances to certain borrowers under the Loan Agreement and corresponding reductions of loan amounts to other borrowers under the Loan Agreement (such Existing Loans as so amended are herein referred to as the "Amended Loans"); and

**WHEREAS**, in accordance with the Loan Agreement, Borrower has of even date herewith executed and delivered to Lender an Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_) (collectively, the "Amended Note"), by which the Existing Note has been amended, restated and modified to reflect an indebtedness in the original principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_); the Amended Note constitutes a modification, extension and renewal of the Existing Note; and

**WHEREAS**, the Amended Note and the loan evidenced thereby are secured by all of the collateral that secures the Existing Note, including, but not limited to, the Existing Security Instrument and the other documents that evidence or secure the indebtedness secured thereby (the "Documents"), but the Amended Note is not secured by the Amended Cross-Collateral Mortgage (as hereinafter defined); and

**WHEREAS**, in addition, Borrower has of even date herewith executed and delivered to Lender an Amended and Restated Irrevocable Cross-Collateral Guaranty of Payment and Performance (the "Amended Cross-Collateral Guaranty"), by which the Existing Cross-Collateral Guaranty has been modified, amended and restated to reflect the guaranty of the Amended Loans (excluding the Amended Loan evidenced by the Amended Note secured hereby), and in connection therewith, Borrower has of even date herewith executed and delivered to Lender an Amended, Restated and Consolidated Second Priority Mortgage and Security Agreement (Subordinate Mortgage to Secure Cross Collateral Guaranty) (the "Amended Cross-Collateral Mortgage"); and

**WHEREAS**, Borrower and Lender desire to modify the Existing Security Instrument as more particularly hereinafter set forth, and to confirm that the Existing Security Instrument secures the Amended Note, and to consolidate and restate entirely all of the terms of the Existing Security Instrument;

## AGREEMENT

NOW THEREFORE, for and in consideration of \_\_\_\_\_ Dollars in hand paid from Lender to Borrower and for and in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency hereof is hereby acknowledged, and intending to be legally bound hereby, Borrower and Lender agree as follows:

**I. Amendment, Not Novation.** Neither this Instrument nor anything contained herein shall be construed as a substitution or novation of Borrower's indebtedness to Lender or of the Existing Security Instrument, which shall remain in full force and effect, as hereby confirmed, modified, restated, consolidated and renewed. THE PARTIES DO NOT INTEND THIS MODIFICATION NOR THE TRANSACTIONS CONTEMPLATED HEREBY TO BE, AND THIS MODIFICATION AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL NOT BE CONSTRUED TO BE, A NOVATION OF ANY OF THE OBLIGATIONS OWING BY BORROWER UNDER OR IN CONNECTION WITH THE EXISTING NOTE, EXISTING SECURITY INSTRUMENT AND OTHER DOCUMENTS. FURTHER, THE PARTIES DO NOT INTEND THIS MODIFICATION NOR THE TRANSACTIONS CONTEMPLATED HEREBY TO AFFECT THE PRIORITY OF ANY OF THE LENDER'S LIENS IN ANY OF THE COLLATERAL SECURING THE EXISTING NOTE IN ANY WAY, INCLUDING, BUT NOT LIMITED TO, THE LIENS, SECURITY INTERESTS AND ENCUMBRANCES CREATED BY THE EXISTING SECURITY INSTRUMENT AND THE OTHER DOCUMENTS.

**II. Priority.** Nothing in the provisions of this Instrument shall be deemed in any way to affect the priority of the Existing Security Instrument over any other security title, security instrument, charge, encumbrance or conveyance, or to release or change the liability of any person who is now or hereafter primarily or secondarily liable under or on account of the Existing Note.

**III. Ratification and Confirmation, as Amended.** As amended hereby, the Existing Security Instrument shall remain in full force and effect, provided, however, that all of terms, covenants, conditions, agreements, warranties, representations and other terms and provisions thereof are hereby consolidated, amended and restated as set forth herein.

**IV. No Offsets, etc.** Borrower hereby represents, warrants and covenants to Lender that there are no offsets, claim, counterclaims or defenses at law or in equity against the Existing Loan, the debt evidenced by the Amended Note, this Instrument, the Existing Security Instrument, the Documents or the indebtedness secured thereby, and if any such offset, defense, claim or counterclaim in fact exists, Borrower hereby irrevocably waives the right to assert such matter at any time and releases Lender from any and all liability with respect thereto.

**V. Modification.** All of the terms and provisions of the Existing Security Instrument are hereby modified and restated in their entirety as set forth herein, including the forgoing provisions and the following recitals, representations, warranties, covenants and agreements:

### RECITALS:

1. Borrower, by the terms of an Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_), each executed on the same date as this Instrument (collectively referenced above as the "Amended Note", but hereinafter collectively as the "**Note**") and in connection with the loan ("**Loan**") from Lender to Borrower evidenced by the Note, is indebted to Lender in the principal sum of \_\_\_\_\_ (\$ \_\_\_\_\_).

2. Lender and Borrower and affiliates of Borrower have entered into that certain Amended and Restated Master Loan Agreement of even date herewith (the "Loan Agreement") relating to seven (7) cross-collateralized and cross-defaulted loans in the aggregate principal amount of \$150,000,000.00, including the Loan evidenced by the Note, which other loans (other than the Loan evidenced by the Note) are guaranteed by Borrower pursuant to that certain Amended and Restated Irrevocable Cross-Collateral Guaranty of Payment and Performance of even date herewith made by Borrower in favor of Lender (the "Cross-Collateral Guaranty").

3. Borrower desires to secure the payment of and the performance of all of its obligations under the Note and certain additional Obligations (as defined in Section 1.01). The Maturity Date (as that term is defined in the Note) of the Note is January 15, 2017.

4. In addition, Borrower has conveyed to Lender by separate instrument that certain Amended, Restated and Consolidated Second Priority Mortgage and Security Agreement (Subordinate Mortgage to Secure Cross Collateral Guaranty) from Borrower dated as of the date of this Instrument (the "Second Mortgage"), which Second Mortgage secures the Cross-Collateral Guaranty and the notes referenced therein and guaranteed thereby (exclusive of the Note secured hereby).

IN CONSIDERATION of the principal sum of the Note, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Borrower irrevocably:

A. Grants, bargains, sells, assigns, transfers, pledges, mortgages, warrants, and conveys to Lender, WITH POWER OF SALE, and grants Lender a security interest in, the following property, rights, interests and estates owned by Borrower (collectively, the "**Property**"):

(i) The real property in \_\_\_\_\_ and described in Exhibit A ("**Land**");

(ii) All buildings, structures and improvements (including fixtures) now or later located in or on the Land ("**Improvements**");

(iii) All easements, estates, and interests including hereditaments, servitudes, appurtenances, tenements, mineral and oil/gas rights, water rights, air rights, development power or rights, rights to the non-exclusive use of common driveway entries, options, reversion and remainder rights, and any other rights owned by Borrower and relating to or usable in connection with or access to the Property;

(iv) All right, title, and interest owned by Borrower in and to all land lying within the rights-of-way, roads, or streets, open or proposed, adjoining the Land to the center line thereof, and all sidewalks, alleys, and strips and gores of land adjacent to or used in connection with the Property;

(v) All right, title, and interest of Borrower in, to, and under all plans, specifications, surveys, studies, reports, permits, licenses, agreements, contracts, instruments, books of account, insurance policies, and any other documents relating to the use, construction, occupancy, leasing, activity, or operation of the Property;

(vi) All of the fixtures and personal property described in Exhibit B owned by Borrower and replacements thereof; but excluding all personal property owned by any tenant (a "**Tenant**") of the Property;

(vii) All of Borrower's right, title and interest in the proceeds (including conversion to cash or liquidation claims) of (A) insurance relating to the Property and (B) all awards made for the taking by eminent domain (or by any proceeding or purchase in lieu thereof) of the Property, including awards resulting from a change of any streets (whether as to grade, access, or otherwise) and for severance damages;

(viii) All tax refunds, including interest thereon, tax rebates, tax credits, and tax abatements, and the right to receive the same, which may be payable or available with respect to the Property;

(ix) All leasehold estates, ground leases, leases, subleases, licenses, or other agreements affecting the use, enjoyment or occupancy of the Property now or later existing [including any use or occupancy arrangements created pursuant to Title 7 or 11 of the United States Code, as amended from time to time, or any similar federal or state laws now or later enacted for the relief of debtors (the "**Bankruptcy Code**") and all extensions and amendments thereto (collectively, the "**Leases**") and all of Borrower's right, title and interest under the Leases, including all guaranties thereof;

(x) All rents, issues, profits, royalties, receivables, use and occupancy charges (including all oil, gas or other mineral royalties and bonuses), income and other benefits now or later derived from any portion or use of the Property (including any payments received with respect to any Tenant or the Property pursuant to the Bankruptcy Code) and all cash, security deposits, advance rentals, or similar payments relating thereto (collectively, the "**Rents**") and all proceeds from the cancellation, termination, surrender, sale or other disposition of the Leases, and the right to receive and apply the Rents to the payment of the Obligations; and

(xi) All of Borrower's rights and privileges heretofore or hereafter otherwise arising in connection with or pertaining to the Property, including, without limiting the generality of the foregoing, all water and/or sewer capacity, all water, sewer and/or other utility deposits or prepaid fees, and/or all water and/or sewer and/or other utility tap rights or other utility rights, any right or privilege of Borrower under any loan commitment, lease, contract, declaration of covenants, restrictions and easements or like instrument, developer's agreement, or other agreement with any third party pertaining to the ownership, development, construction, operation, maintenance, marketing, sale or use of the Property.

B. Absolutely and unconditionally assigns, sets over, and transfers to Lender all of Borrower's right, title, interest and estates in and to the Leases and the Rents, subject to the terms and license granted to Borrower under that certain Amended and Restated Assignment of Leases and Rents made by Borrower to Lender dated the same date as this Instrument (the "**Assignment**"), which document shall govern and control the provisions of this assignment.

TO HAVE AND TO HOLD the Property unto Lender and its successors and assigns forever, subject to the matters listed in Exhibit C ("**Permitted Encumbrances**") and the provisions, terms and conditions of this Instrument.

PROVIDED, HOWEVER, if Borrower shall pay and perform the Obligations as provided for in the Documents (defined below) and shall comply with all the provisions, terms and conditions in the Documents, these presents and the estates hereby granted (except for the obligations of Borrower set forth in Sections 3.11 and 3.12 and as set forth in or incorporated by reference in Article VIII hereof) shall cease, terminate and be void.

IN FURTHERANCE of the foregoing, Borrower warrants, represents, covenants and agrees as follows:

## ARTICLE I - OBLIGATIONS

**Section 1.01** Obligations. This Instrument is executed, acknowledged, and delivered by Borrower to secure and enforce the following obligations (collectively, the “**Obligations**”):

- (a) Payment of all obligations, indebtedness and liabilities under the Documents including (i) the Prepayment Premium (as defined in the Note) (“**Prepayment Premium**”), (ii) interest at both the rate specified in the Note and at the Default Rate (as defined in the Note), if applicable and to the extent permitted by Laws (defined below), and (iii) renewals, extensions, and amendments of the Documents;
- (b) Performance of every obligation, covenant, and agreement under the Documents including renewals, extensions, and amendments of the Documents; and
- (c) Payment of all sums advanced (including costs and expenses) by Lender pursuant to the Documents including renewals, extensions, and amendments of the Documents;

Notwithstanding the foregoing, the Obligations do not include the obligations under the Cross-Collateral Guaranty and the indebtedness evidenced thereby, which obligations are secured by the Second Mortgage, which Second Mortgage secures the Cross-Collateral Guaranty and the notes referenced therein and guaranteed thereby (exclusive of the Note secured hereby).

**Section 1.02** Documents. The “**Documents**” shall mean this Instrument, the Note, the Assignment, and any other written agreement executed in connection with the Loan (but excluding the Loan application and Loan commitment) and by the party against whom enforcement is sought, including those given to evidence or further secure the payment and performance of any of the Obligations, and any written renewals, extensions, and amendments of the foregoing, executed by the party against whom enforcement is sought. All of the provisions of the Documents are incorporated into this Instrument as if fully set forth in this Instrument.

## ARTICLE II - REPRESENTATIONS AND WARRANTIES

Borrower hereby represents and warrants to Lender as follows:

**Section 2.01** Title, Legal Status and Authority. Borrower (i) is seized of the Land and Improvements in fee simple and has good and marketable title to the Property, free and clear of all liens, charges, encumbrances, and security interests, except the Permitted Encumbrances; (ii) will forever warrant and defend its title to the Property and the validity, enforceability, and priority of the lien and security interest created by this Instrument against the claims of all persons; (iii) is a Delaware limited partnership duly organized, validly existing, and in good standing and qualified to transact business under the laws of its state of organization or incorporation (“**Organization State**”) and the state where the Property is located (“**Property State**”); and (iv) has all necessary approvals, governmental and otherwise, and full power and authority to own its properties (including the Property) and carry on its business.

**Section 2.02** Validity of Documents. The execution, delivery and performance of the Documents and the borrowing evidenced by the Note (i) are within the power of Borrower; (ii) have been authorized by all requisite action; (iii) have received all necessary approvals and consents; (iv) will not violate, conflict with, breach, or constitute (with notice or lapse of time, or both) a default under (1) any law, order or judgment of any court, governmental authority, or the governing instrument of Borrower or (2) any indenture, agreement, or other instrument to which Borrower is a party or by which it or any of its property is bound or affected; (v) will not result in the creation or imposition of any lien, charge, or encumbrance upon any of its properties or assets except for those in this Instrument; and (vi) will not require any authorization or license from, or any filing with, any governmental or other body (except for the recordation of this Instrument, the Assignment and Uniform Commercial Code (“**U.C.C.**”) filings). The Documents constitute legal, valid, and binding obligations of Borrower.

**Section 2.03**                    Litigation. There is no action, suit, or proceeding, judicial, administrative, or otherwise (including any condemnation or similar proceeding), pending or, to the best knowledge of Borrower, threatened or contemplated against, or affecting, Borrower or the Property which would have a material adverse effect on either the Property or Borrower's ability to perform its obligations.

**Section 2.04**                    Status of Property.

(a)            The Land and Improvements are not located in an area identified by the Secretary of Housing and Urban Development, or any successor, as an area having special flood hazards pursuant to the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973, or the National Flood Insurance Reform Act of 1994, as each have been or may be amended, or any successor law (collectively, the "**Flood Acts**") or, if located within any such area, Borrower has and will maintain the insurance prescribed in Section 3.06 below.

(b)            Borrower has all necessary (i) certificates, licenses, and other approvals, governmental and otherwise, for the operation of the Property and the conduct of its business and (ii) zoning, building code, land use, environmental and other similar permits or approvals, all of which are currently in full force and effect and not subject to revocation, suspension, forfeiture, or modification, except as and to the extent explicitly set forth in the Environmental Report (as defined below). The Property and its use and occupancy are in full compliance in all material respects with all Laws and Borrower has received no notice of any violation or potential violation of the Laws that has not been remedied or satisfied.

(c)            The Property is served by all utilities (including water and sewer) required for its use.

(d)            All public roads and streets necessary to serve the Property for its use have been completed, are serviceable, are legally open, and have been dedicated to and accepted by the appropriate governmental entities.

(e)            The Property is free from damage caused by fire or other casualty.

(f)            All costs and expenses for labor, materials, supplies, and equipment used in the construction of the Improvements have been paid in full except for the Permitted Encumbrances.

(g)            Borrower owns and has paid in full for all furnishings, fixtures, and equipment (other than Tenants' property) used in connection with the operation of the Property, free of all security interests, liens, or encumbrances except the Permitted Encumbrances and those created by this Instrument.

(h) The Property is assessed for real estate tax purposes as one or more wholly independent tax lot(s), separate from any adjoining land or improvements, and no other land or improvements is assessed and taxed together with the Property.

**Section 2.05** Tax Status of Borrower. Borrower is not a “foreign person” within the meaning of Sections 1445 and 7701 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the “**Revenue Code**”). Borrower further represents and warrants to Lender that Borrower is not a “disregarded entity” as defined in Section 1.1445-2(b)(2)(iii) of the Income Tax Regulations issued under the Revenue Code.

**Section 2.06** Bankruptcy and Equivalent Value. No bankruptcy, reorganization, insolvency, liquidation, or other proceeding for the relief of debtors has been instituted by or against Borrower, any general partner of Borrower (if Borrower is a partnership), or any manager or managing member of Borrower (if Borrower is a limited liability company). Borrower has received reasonably equivalent value for granting this Instrument.

**Section 2.07** Disclosure. Borrower has disclosed to Lender all material facts and has not failed to disclose any material fact that could cause any representation or warranty made herein to be materially misleading. There has been no adverse change in any condition, fact, circumstance, or event that would make any such information materially inaccurate, incomplete or otherwise misleading.

**Section 2.08** Illegal Activity. No portion of the Property has been or will be purchased, improved, fixtured, equipped or furnished with proceeds of any illegal activity and, to the best of Borrower’s knowledge, there are no illegal activities at or on the Property.

**Section 2.09** OFAC Lists. That (i) neither Borrower, nor any persons or entities holding any legal or beneficial interest whatsoever in Borrower (whether directly or indirectly), are named on any list of persons, entities, and governments issued by the Office of Foreign Assets Control of the United States Department of the Treasury (“**OFAC**”) pursuant to Executive Order 13224 – Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism (“**Executive Order 13224**”), as in effect on the date hereof, or any similar list issued by OFAC or any other department or agency of the United States of America (collectively, the “**OFAC Lists**”); provided, however, that (A) with respect to individual beneficiaries of any governmental plans or employee benefit plans holding interests in Borrower (collectively, the “**Individual Beneficiaries**”), the foregoing representations and warranties are limited to Borrower’s actual knowledge, and (B) with respect to individual shareholders of any publicly traded company holding an interest in Borrower (collectively, the “**Individual Shareholders**”), the foregoing representations and warranties are limited to Borrower’s actual knowledge; (ii) neither Borrower, nor any persons or entities holding any legal or beneficial interest whatsoever in Borrower (whether directly or indirectly), are included in, owned by, controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the persons or entities referred to or described in the OFAC Lists; provided, however, that (A) with respect to any Individual Beneficiaries holding a interests in Borrower, the foregoing representations and warranties are limited to Borrower’s actual knowledge, and (B) with respect to any Individual Shareholders holding interests in Borrower, the foregoing representations and warranties are limited to Borrower’s actual knowledge; (iii) neither any guarantor, nor any persons or entities holding any legal or beneficial interest whatsoever in any guarantor (whether directly or indirectly), are named on any OFAC Lists; provided, however, that (A) with respect to any Individual Beneficiaries holding interests in any guarantor, the foregoing representations and warranties are limited to Borrower’s actual knowledge, and (B) with respect to any Individual Shareholders holding interests in any guarantor, the foregoing representations and warranties are limited to Borrower’s actual knowledge; (iv) neither any guarantor, nor any persons or entities holding any legal or beneficial interest whatsoever in any guarantor (whether directly or indirectly), are included in, owned by, controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the persons or entities referred to or described in the OFAC Lists; provided, however, that (A) with respect to any Individual Beneficiaries holding interests in any guarantor, the foregoing representations and warranties are limited to Borrower’s actual knowledge, and (B) with respect to any Individual Shareholders holding interests in any guarantor, the foregoing representations and warranties are limited to Borrower’s actual knowledge; and (v) neither Borrower nor any guarantor has knowingly conducted business with or engaged in any transaction with any person or entity named on any of the OFAC Lists or any person or entity included in, owned by, controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the persons or entities referred to or described in the OFAC Lists.



**Section 2.10** Property as Single Asset. That Borrower's only real estate assets owned by Borrower (excluding ownership by virtue of limited liability company membership interests or partnership interests or similar beneficial ownership structures) are the Property and those additional properties currently owned by Borrower as disclosed to Lender in writing in connection herewith.

### ARTICLE III - COVENANTS AND AGREEMENTS

Borrower covenants and agrees with Lender as follows:

**Section 3.01** Payment of Obligations. Borrower shall timely pay and cause to be performed the Obligations.

**Section 3.02** Continuation of Existence. Except as and to the extent expressly permitted by and in accordance with the terms of Article V hereof, Borrower shall not (a) dissolve, terminate, or otherwise dispose of, directly, indirectly or by operation of law, all or substantially all of its assets; (b) reorganize or change its legal structure without Lender's prior written consent; (c) change its name, address, or the name under which Borrower conducts its business without promptly notifying Lender; or (d) do anything to cause the representations in Section 2.02 to become untrue.

**Section 3.03** Taxes and Other Charges.

( a ) Payment of Assessments. Borrower shall pay when due all taxes, liens, assessments, utility charges (public or private and including sewer fees), ground rents, maintenance charges, dues, fines, impositions, and public and other charges of any character (including penalties and interest) assessed against, or which could become a lien against, the Property ("Assessments") and in all events prior to the date any fine, penalty, interest or charge for nonpayment may be imposed. Unless Borrower is making deposits per Section 3.10, Borrower shall provide Lender with receipts evidencing such payments (except for income taxes, franchise taxes, ground rents, maintenance charges, and utility charges) within thirty (30) days after their due date.

(b) Right to Contest. So long as no Event of Default (defined below) has occurred and is continuing, Borrower may, prior to delinquency and at its sole expense, contest any Assessment, but this shall not change or extend Borrower's obligation to pay the Assessment as required above unless (i) Borrower gives Lender prior written notice of its intent to contest an Assessment; (ii) Borrower demonstrates to Lender's reasonable satisfaction that (A) the Property will not be sold to satisfy the Assessment prior to the final determination of the legal proceedings, (B) Borrower has taken such actions as are required or permitted to accomplish a stay of any such sale, and (C) Borrower has either (1) furnished a bond or surety (satisfactory to Lender in form and amount) sufficient to prevent a sale of the Property, or (2) at Lender's option, deposited one hundred fifty percent (150%) of the full amount necessary to pay any unpaid portion of the Assessments with Lender; and (iii) such proceeding shall be permitted under any other instrument to which Borrower or the Property is subject (whether superior or inferior to this Instrument); provided, however, that the foregoing shall not restrict the contesting of any income taxes, franchise taxes, ground rents, maintenance charges, and utility charges.

( c ) Documentary Stamps and Other Charges. Borrower shall pay all taxes, assessments, charges, expenses, costs and fees (including registration and recording fees and revenue, transfer, stamp, intangible and any similar taxes) (collectively, the “**Transaction Taxes**”) required in connection with the making and/or recording of the Documents. If Borrower fails to pay the Transaction Taxes after demand, Lender may (but is not obligated to) pay these and Borrower shall reimburse Lender on demand for any amount so paid with interest at the applicable interest rate specified in the Note, which shall be the Default Rate unless prohibited by Laws.

( d ) Changes in Laws Regarding Taxation. If any law (i) deducts from the value of real property for the purpose of taxation any lien or encumbrance thereon, (ii) taxes mortgages or debts secured by mortgages for federal, state or local purposes or changes the manner of the collection of any such existing taxes, and/or (iii) imposes a tax, either directly or indirectly, on any of the Documents or the Obligations, Borrower shall, if permitted by law, pay such tax within the statutory period or within twenty (20) days after demand by Lender, whichever is less; provided, however, that if, in the opinion of Lender, Borrower is not permitted by law to pay such taxes, Lender shall have the option to declare the Obligations immediately due and payable (without any Prepayment Premium) upon sixty (60) days’ notice to Borrower.

( e ) No Credits on Account of the Obligations. Borrower will not claim or be entitled to any credit(s) on account of the Obligations for any part of the Assessments and no deduction shall be made or claimed from the taxable value of the Property for real estate tax purposes by reason of the Documents or the Obligations. If such claim, credit, or deduction is required by law, Lender shall have the option to declare the Obligations immediately due and payable (without any Prepayment Premium) upon sixty (60) days’ notice to Borrower.

**Section 3.04** Defense of Title, Litigation, and Rights under Documents. Borrower shall forever warrant, defend and preserve Borrower’s title to the Property, the validity, enforceability and priority of this Instrument and the lien or security interest created thereby, and any rights of Lender under the Documents against the claims of all persons, and shall promptly notify Lender of any such claims. Lender (whether or not named as a party to such proceedings) is authorized and empowered (but shall not be obligated) to take such additional steps as it may deem necessary or proper for the defense of any such proceeding or the protection of the lien, security interest, validity, enforceability, or priority of this Instrument, title to the Property, or any rights of Lender under the Documents, including the employment of counsel, the prosecution and/or defense of litigation, the compromise, release, or discharge of such adverse claims, the purchase of any tax title, the removal of any such liens and security interests, and any other actions Lender deems necessary to protect its interests. Borrower authorizes Lender to take any actions required to be taken by Borrower, or permitted to be taken by Lender, in the Documents in the name and on behalf of Borrower. Borrower shall reimburse Lender on demand for all expenses (including attorneys’ fees) incurred by it in connection with the foregoing and Lender’s exercise of its rights under the Documents. All such expenses of Lender, until reimbursed by Borrower, shall be part of the Obligations, bear interest from the date of demand at the Default Rate, and shall be secured by this Instrument.

**Section 3.05** Compliance with Laws and Operation and Maintenance of Property.

( a ) Repair and Maintenance. Borrower will operate and maintain the Property in good order, repair, and operating condition. Borrower will promptly make all necessary repairs, replacements, additions, and improvements necessary to ensure that the Property shall not in any way be diminished or impaired. Borrower will not cause or allow any of the Property to be misused, wasted, or to deteriorate and Borrower will not abandon the Property. No new building, structure, or other improvement shall be constructed on the Land nor shall any material part of the Improvements be removed, demolished, or structurally or materially altered, without Lender's prior written consent (except for non-structural tenant improvements required or permitted to be constructed pursuant to Leases approved or deemed approved by Lender pursuant to the Assignment, or within the Minimum Leasing Requirements as provided by the Assignment).

( b ) Replacement of Property. Borrower will keep the Property fully equipped and will replace all worn out or obsolete personal property in a commercially reasonable manner with comparable fixtures or personal property. Borrower will not, without Lender's prior written consent, remove any personal property covered by this Instrument unless the same is replaced by Borrower in a commercially reasonable manner with a comparable article (i) owned by Borrower free and clear of any lien or security interest (other than the Permitted Encumbrances and those created by this Instrument) or (ii) leased by Borrower (A) with Lender's prior written consent (or, as to articles with a total lease cost, in the aggregate for the Property, of not more than \$5,000 in lease obligations, with written notice to Lender together with a copy of the applicable lease) or (B) if the replaced personal property was leased at the time of execution of this Instrument.

(c) Compliance with Laws. Borrower shall comply with and shall cause the Property to be maintained, used, and operated in compliance with all (i) present and future laws, Environmental Laws (defined below), ordinances, regulations, rules, orders and requirements (including zoning and building codes) of any governmental or quasi-governmental authority or agency applicable to Borrower or the Property (collectively, the "Laws"); (ii) orders, rules, and regulations of any regulatory, licensing, accrediting, insurance underwriting or rating organization, or other body exercising similar functions; (iii) duties or obligations of any kind imposed under any Permitted Encumbrance or by law, covenant, condition, agreement, or easement, public or private; and (iv) policies of insurance at any time in force with respect to the Property. If proceedings are initiated or Borrower receives notice that Borrower or the Property is not in compliance with any of the foregoing, Borrower will promptly send Lender notice and a copy of the proceeding or violation notice. Without limiting Lender's rights and remedies under Article VI or otherwise, if Borrower or the Property are not in compliance with all Laws, Lender may impose additional requirements upon Borrower including monetary reserves or financial equivalents.

(d) Zoning and Title Matters. Borrower shall not, without Lender's prior written consent, (i) initiate or support any zoning reclassification of the Property or variance under existing zoning ordinances; (ii) modify or supplement any of the Permitted Encumbrances; (iii) impose any restrictive covenants or encumbrances upon the Property; (iv) execute or file any subdivision plat affecting the Property; (v) consent to the annexation of the Property to any municipality; (vi) permit the Property to be used by the public or any person in a way that might make a claim of adverse possession or any implied dedication or easement possible; (vii) cause or permit the Property to become a non-conforming use under zoning ordinances or any present or future non-conforming use of the Property to be discontinued; or (viii) fail to comply with the terms of the Permitted Encumbrances.

( a ) Property and Time Element Insurance. Borrower shall keep the Property insured for the benefit of Borrower and Lender (with Lender named as mortgagee) by (i) a special form property insurance policy with an agreed amount endorsement for full replacement cost (defined below) without any coinsurance provisions or penalties, or the broadest form of coverage available, in an amount sufficient to prevent Lender from ever becoming a coinsurer under the policy or Laws, and with a deductible not to exceed One Hundred Thousand Dollars (\$100,000.00); (ii) a policy or endorsement insuring against acts of terrorism (subject to the terms in the two sentences at the end of this subsection) (“Terrorism Insurance”); (iii) a policy or endorsement insuring against claims applicable to the presence of Microbial Matter (as defined in Section 3.12(a) hereof); (iv) a policy or endorsement providing business income insurance (including business interruption insurance and extra expense insurance and/or rent insurance) on an actual loss sustained basis in an amount equal to at least one (1) year’s total income from the Property including all Rents plus all other pro forma annual income such as percentage rent and tenant reimbursements of fixed and operating expenses, which business interruption insurance shall also provide coverage as aforesaid for any additional hazards as may be required pursuant to the terms of this Instrument; (v) a policy or endorsement insuring against damage by flood if the Property is located in a Special Flood Hazard Area identified by the Federal Emergency Management Agency or any successor or related government agency as a 100 year flood plain currently classified as Flood Insurance Rate Map Zones “A”, “AO”, “AH”, “A1-A30”, “AE”, “A99”, “V”, “V1-V30”, and “VE”, in an amount equal to the original amount of the Note; (vi) a policy or endorsement covering against damage or loss from (A) sprinkler system leakage and (B) boilers, boiler tanks, HVAC systems, heating and air-conditioning equipment, pressure vessels, auxiliary piping, and similar apparatus, in the amount reasonably required by Lender; (vii) during the period of any construction, repair, restoration, or replacement of the Property, a standard builder’s risk policy with extended coverage in an amount at least equal to the full replacement cost of such Property, and worker’s compensation, in statutory amounts; and (viii) a policy or endorsement covering against damage or loss by earthquake and other natural phenomenon in the amounts reasonably required by Lender. **“Full replacement cost”** shall mean the one hundred percent (100%) replacement cost of the Property, without allowance for depreciation and exclusive of the cost of excavations, foundations, footings, and value of land, and shall be subject to verification by Lender. Full replacement cost will be determined, at Borrower’s expense, periodically upon policy expiration or renewal by the insurance company or an appraiser, engineer, architect, or contractor approved by said company and Lender. Lender will only require such Terrorism Insurance that is (y) normal and customary for similar properties, and (z) available at commercially reasonable rates (as defined in the following sentence). Notwithstanding the above, Borrower’s obligation to provide Terrorism Insurance shall be limited to providing the amount of coverage for the Properties that can be obtained by paying an amount not to exceed one and one half (1.5) times the premium that would otherwise be charged for a special form property insurance policy (if such policy is a blanket policy, the premium allocated to the Property) excluding terrorism coverage, in the aggregate; however, Borrower shall not be obligated to obtain terrorist coverage if any coverage cannot be obtained for such amount).

(b) Liability and Other Insurance. Borrower shall maintain commercial general liability insurance with per occurrence limits of \$1,000,000, a products/completed operations limit of \$2,000,000, and a general aggregate limit of \$2,000,000, with an excess/umbrella liability policy of not less than \$10,000,000 per occurrence and annual aggregate covering Borrower, with Lender named as an additional insured, against claims for bodily injury or death or property damage occurring in, upon, or about the Property or any street, drive, sidewalk, curb, or passageway adjacent thereto. In addition to any other requirements, such commercial general liability and excess/umbrella liability insurance shall provide insurance against acts of terrorism and against claims applicable to the presence of Microbial Matter, or such coverages shall be provided by separate policies or endorsements. The insurance policies shall also include operations and blanket contractual liability coverage which insures contractual liability under the indemnifications set forth in Section 8.02 below (but such coverage or the amount thereof shall in no way limit such indemnifications). Upon request, Borrower shall also carry additional insurance or additional amounts of insurance covering Borrower or the Property as Lender shall reasonably require.

( c ) Form of Policy. All insurance required under this Section shall be fully paid for, non-assessable, and the policies shall contain such provisions, endorsements, and expiration dates as Lender shall reasonably require. The policies shall be issued by insurance companies authorized to do business in the Property State, approved by Lender, and must have and maintain a current financial strength rating of “A-, X” (or higher) from A.M. Best or equivalent (or if a rating by A.M. Best is no longer available, a similar rating from a similar or successor service). In addition, all policies shall (i) include a standard mortgagee clause, without contribution, in the name of Lender, (ii) provide that they shall not be canceled, amended, or materially altered (including reduction in the scope or limits of coverage) without at least thirty (30) days’ prior written notice to Lender except in the event of cancellation for non-payment of premium, in which case only ten (10) days’ prior written notice will be given to Lender, and (iii) include a waiver of subrogation clause. The property insurance waiver of subrogation clause shall be substantially equivalent to the following: “The Company may require from the Insured an assignment of all rights of recovery against any party for loss to the extent that payment therefor is made by the Company, but the Company shall not acquire any rights of recovery which the Insured has expressly waived prior to loss, nor shall such waiver affect the Insured’s rights under this policy”. The liability insurance waiver of subrogation clause shall be substantially equivalent to the following: “It is agreed that the insurance company, in the event of a payment under this policy, waives its right of subrogation against any principal where a waiver has been included as part of a contractual undertaking by the insured prior to the occurrence or offense”.

(d) Original Policies and Renewals. Borrower shall deliver to Lender (i) original or certified copies of all policies (and renewals) required under this Section and (ii) receipts evidencing payment of all premiums on such policies at least thirty (30) days prior to their expiration. If original and renewal policies are unavailable or if coverage is under a blanket policy, Borrower shall deliver duplicate originals, or, if unavailable, original ACORD 28 (2003/10) and ACORD 25-S certificates (or equivalent certificates) evidencing that such policies are in full force and effect together with certified copies of the original policies. Without limiting Lender’s other rights with respect to the foregoing obligations, if, within fifteen (15) days prior to the expiration of the current applicable policy, Lender has not received the foregoing items in form and substance acceptable to Lender (as being in compliance with the terms of this Instrument), Lender may retain a commercial property insurance consultant to assist Lender in obtaining adequate evidence that the required insurance coverage is in effect, and Borrower shall (i) cooperate with such consultant in confirming that adequate evidence that the required insurance coverage is in effect, and (ii) pay all of the costs and expenses of such consultant (not to exceed \$700 in any calendar year).

(e) General Provisions. Borrower shall not carry separate or additional insurance concurrent in form or contributing in the event of loss with that required under this Section unless endorsed in favor of Lender as per this Section and approved by Lender in all respects. In the event of foreclosure of this Instrument or other transfer of title or assignment of the Property in extinguishment, in whole or in part, of the Obligations, all right, title, and interest of Borrower in and to all policies of insurance then in force regarding the Property (applicable only to the Property, and not to any other properties covered by such blanket policies that are not encumbered by a mortgage held by Lender) and all proceeds payable thereunder and unearned premiums thereon shall immediately vest in the purchaser or other transferee of the Property. No approval by Lender of any insurer shall be construed to be a representation, certification, or warranty of its solvency. No approval by Lender as to the amount, type, or form of any insurance shall be construed to be a representation, certification, or warranty of its sufficiency. Borrower shall comply with all insurance requirements and shall not cause or permit any condition to exist which would be prohibited by any insurance requirement or would invalidate the insurance coverage on the Property.

( f ) Waiver of Subrogation. A waiver of subrogation shall be obtained by Borrower from its insurers and, consequently, Borrower for itself, and on behalf of its insurers, hereby waives and releases any and all right to claim or recover against Lender, its officers, employees, agents and representatives, for any loss of or damage to Borrower, other Persons, the Property, Borrower's property or the property of other Persons from any cause required to be insured against by the provisions of this Instrument or otherwise insured against by Borrower.

**Section 3.07** Damage and Destruction of Property.

( a ) Borrower's Obligations. If any damage to, loss, or destruction of the Property occurs (any **'Damage'**), (i) Borrower shall promptly notify Lender and take all necessary steps to preserve any undamaged part of the Property and (ii) if the insurance proceeds are made available for Restoration (defined below) (but regardless of whether any proceeds are sufficient for Restoration), Borrower shall promptly commence and diligently pursue to completion the restoration, replacement, and rebuilding of the Property as nearly as possible to its value and condition immediately prior to the Damage or a Taking (defined below) in accordance with plans and specifications approved by Lender (**"Restoration"**). Borrower shall comply with other reasonable requirements established by Lender to preserve the security under this Instrument.

( b ) Lender's Rights. If any Damage occurs and some or all of it is covered by insurance, then (i) Lender may, but is not obligated to, make proof of loss if not made promptly by Borrower and Lender is authorized and empowered by Borrower to settle, adjust, or compromise any claims for the Damage [notwithstanding the foregoing provisions of this subsection (b)(i), so long as no Event of Default (or event which with the passage of time or the giving of notice or both would be an Event of Default) has occurred and is continuing at any time during such settlement, adjustment or compromise, Lender shall provide Borrower with written notice of any settlement, adjustment or compromise of such claim made solely by Lender]; (ii) each insurance company concerned is authorized and directed to make payment directly to Lender for the Damage; and (iii) Lender may apply the insurance proceeds in any order it determines (1) to reimburse Lender for all Costs (defined below) related to collection of the proceeds and (2) subject to Section 3.07(c) and at Lender's option, to (A) payment (without any Prepayment Premium) of all or part of the Obligations, whether or not then due and payable, in the order determined by Lender (provided that if any Obligations remain outstanding after this payment, the unpaid Obligations shall continue in full force and effect and Borrower shall not be excused in the payment thereof); (B) the cure of any default under the Documents; or (C) the Restoration. Notwithstanding the foregoing, if there shall then be no Event of Default (or event which with the passage of time or the giving of notice or both would be an Event of Default), Borrower shall have the right to settle, adjust or compromise any claim for Damage if the total amount of such claim is less than \$122,500.00 (the **"Borrower Claim Threshold"**), provided, that, Borrower promptly uses the full amount of such insurance proceeds for Restoration of the Damage and provides evidence thereof to Lender in a manner acceptable to Lender. Any insurance proceeds held by Lender shall be held without the payment of interest thereon. If Borrower receives any insurance proceeds for the Damage, Borrower shall promptly deliver the proceeds to Lender. Notwithstanding anything in this Instrument or at law or in equity to the contrary, none of the insurance proceeds paid to Lender shall be deemed trust funds and Lender may dispose of these proceeds as provided in this Section. Borrower expressly assumes all risk of loss from any Damage, whether or not insurable or insured against.

(c) Application of Proceeds to Restoration. Notwithstanding the following provisions of this subsection (c), so long as no Event of Default (or event which with the passage of time or the giving of notice or both would be an Event of Default) has occurred and is continuing, if the amount of the Damage is in an amount that is less than the Borrower Claim Threshold, such insurance proceeds shall be paid directly to Borrower and used by Borrower to repair and restore the Property, provided that Borrower shall use such funds to repair and restore the Property, and shall provide Lender with such information and reports with respect thereto as Lender may require. Lender shall make the Net Proceeds (defined below) available to Borrower for Restoration if: (i) there shall then be no Event of Default; (ii) Lender shall be satisfied that (A) Restoration can and will be completed within one (1) year after the Damage occurs and at least one (1) year prior to the maturity of the Note and (B) Leases which are terminated or terminable as a result of the Damage cover an aggregate of less than ten percent (10%) of the total rentable square footage contained in the Property at the closing of the Loan or such Tenants agree in writing to continue their Leases; (iii) Borrower shall have entered into a general construction contract acceptable in all respects to Lender for Restoration, which contract must include provision for retainage of not less than ten percent (10%) until final completion of the Restoration; and (iv) in Lender's reasonable judgment, after Restoration has been completed the net cash flow of the Property will be sufficient to cover all costs and operating expenses of the Property, including payments due and reserves required under the Documents. Notwithstanding any provision of this Instrument to the contrary, Lender shall not be obligated to make any portion of the Net Proceeds available for Restoration (whether as a result of Damage or a Taking) unless, at the time of the disbursement request, Lender has determined in its reasonable discretion that (y) Restoration can be completed at a cost which does not exceed the aggregate of the remaining Net Proceeds and any funds deposited with Lender by Borrower ("**Additional Funds**") and (z) the aggregate of any loss of rental income insurance proceeds which the carrier has acknowledged to be payable ("**Rent Loss Proceeds**") and any funds deposited with Lender by Borrower are sufficient to cover all costs and operating expenses of the Property, including payments due and reserves required under the Documents.

( d ) Disbursement of Proceeds. If Lender elects or is required to make insurance proceeds or the Award (defined below), as the case may be, available for Restoration, Lender shall, through a disbursement procedure established by Lender, periodically make available to Borrower in installments the net amount of all insurance proceeds or the Award, as the case may be, received by Lender after deduction of all reasonable costs and expenses incurred by Lender in connection with the collection and disbursement of such proceeds ("**Net Proceeds**") and, if any, the Additional Funds; subject to receipt of the documentation required by such disbursement procedure and subject to a minimum draw amount to be determined by Lender and Borrower, Lender shall make such disbursements available on a monthly basis. The amounts periodically disbursed to Borrower shall be based upon the amounts currently due under the construction contract for Restoration and Lender's receipt of (i) appropriate lien waivers, (ii) a certification of the percentage of Restoration completed by an architect or engineer acceptable to Lender, and (iii) title insurance protection against materialmen's and mechanic's liens. At Lender's election, a disbursing agent selected by Lender shall disburse such funds, and Borrower shall pay such agent's reasonable fees and expenses. The Net Proceeds, Rent Loss Proceeds, and any Additional Funds shall constitute additional security for the Loan and Borrower shall execute, deliver, file and/or record, at its expense, such instruments as Lender requires to grant to Lender a perfected, first-priority security interest in these funds. If the Net Proceeds are made available for Restoration and (x) Borrower refuses or fails to complete the Restoration, (y) an Event of Default occurs, or (z) the Net Proceeds or Additional Funds are not applied to Restoration, then any undisbursed portion may, at Lender's option, be applied to the Obligations in any order of priority, and any such application to principal shall be deemed a voluntary prepayment subject to the Prepayment Premium.

**Section 3.08**                      Condemnation.

( a )        Borrower's Obligations. Borrower will promptly notify Lender of any threatened or instituted proceedings for the condemnation or taking by eminent domain of the Property including any change in any street (whether as to grade, access, or otherwise) (a "**Taking**"). Borrower shall, at its expense, (i) diligently prosecute these proceedings, (ii) deliver to Lender copies of all papers served in connection therewith, and (iii) consult and cooperate with Lender in the handling of these proceedings. No settlement of these proceedings shall be made by Borrower without Lender's prior written consent. Lender may participate in these proceedings (but shall not be obligated to do so) and Borrower will sign and deliver all instruments requested by Lender to permit this participation.

( b )        Lender's Rights to Proceeds. All condemnation awards, judgments, decrees, or proceeds of sale in lieu of condemnation ("**Award**") are assigned and shall be paid to Lender. Borrower authorizes Lender to collect and receive them, to give receipts for them, to accept them in the amount received without question or appeal, and/or to appeal any judgment, decree, or award. Borrower will sign and deliver all instruments requested by Lender to permit these actions.

( c )        Application of Award. Lender may apply any Award in any order it determines (1) to reimburse Lender for all Costs related to collection of the Award and (2) subject to Section 3.08(d) and at Lender's option, to (A) payment (without any Prepayment Premium) of all or part of the Obligations, whether or not then due and payable, in the order determined by Lender (provided that if any Obligations remain outstanding after this payment, the unpaid Obligations shall continue in full force and effect and Borrower shall not be excused in the payment thereof); (B) the cure of any default under the Documents; or (C) the Restoration. If Borrower receives any Award, Borrower shall promptly deliver such Award to Lender. Notwithstanding anything in this Instrument or at law or in equity to the contrary, none of the Award paid to Lender shall be deemed trust funds and Lender may dispose of these proceeds as provided in this Section.

( d )        Application of Award to Restoration. Notwithstanding anything to the contrary set forth hereinabove, Lender shall permit the application of the Award to Restoration if: (i) no more than (A) twenty percent (20%) of the gross area of the Improvements or (B) ten percent (10%) of the parking spaces is affected by the Taking, (ii) the amount of the loss does not exceed twenty percent (20%) of the original amount of the Note; (iii) the Taking does not affect access to the Property from any public right-of-way; (iv) there is no Event of Default at the time of the Taking or the application of the Award; (v) after Restoration, the Property and its use will be in compliance with all Laws; (vi) in Lender's reasonable judgment, Restoration is practical and can be completed within one (1) year after the Taking and at least one (1) year prior to the maturity of the Note; (vii) the Tenants listed in Exhibit D ("**Major Tenants**") agree in writing to continue their Leases without abatement of rent; (viii) Borrower shall have entered into a general construction contract acceptable in all respects to Lender for Restoration, which contract must include provision for retainage of not less than ten percent (10%) until final completion of the Restoration; and (ix) in Lender's reasonable judgment, after Restoration has been completed the net cash flow of the Property will be sufficient to cover all costs and operating expenses of the Property, including payments due and reserves required under the Documents. Any portion of the Award that is in excess of the cost of any Restoration permitted above, may, in Lender's sole discretion, be applied against the Obligations or paid to Borrower. If the Award is disbursed to Borrower under the provisions of this Section 3.08(d), then such Award shall be disbursed to Borrower in accordance with the terms and conditions of Section 3.07(d).



(e) Effect on the Obligations. Notwithstanding any Taking, Borrower shall continue to pay and perform the Obligations as provided in the Documents. Any reduction in the Obligations due to application of the Award shall take effect only upon Lender's actual receipt and application of the Award to the Obligations. If the Property shall have been foreclosed, sold pursuant to any power of sale granted hereunder, or transferred by deed-in-lieu of foreclosure prior to Lender's actual receipt of the Award, Lender may apply the Award received to the extent of any deficiency upon such sale and Costs incurred by Lender in connection with such sale.

**Section 3.09** Liens and Liabilities. Borrower shall pay when due all claims and demands of mechanics, materialmen, laborers and others for any work performed or materials delivered for the Property or the Improvements (collectively, "**Property Payables**"); provided, however, Borrower shall have the right to contest in good faith any such claim or demand, so long as it does so diligently, by appropriate proceedings and without prejudice to Lender and provided that neither the Property nor any interest therein would be in any danger of sale, loss or forfeiture as a result of such proceeding or contest. In the event that a mechanic's or materialman's lien or similar proceeding is filed against the Property, or a claim is filed against Borrower or any Recourse Parties, and Borrower shall contest such lien, proceeding or claim, Borrower shall promptly notify Lender of such contest and thereafter shall, upon Lender's request, promptly provide a bond, cash deposit or other security satisfactory to Lender to protect Lender's interest and security should the contest be unsuccessful. If Borrower shall fail to immediately discharge or provide security against any such lien, proceeding or claim as aforesaid, Lender may do so and any and all expenses incurred by Lender, together with interest thereon at the Default Rate from the date advanced by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this Instrument and by all other Documents securing all or any part of the Obligations. Nothing in the Documents shall be deemed or construed as constituting the consent or request by Lender, express or implied, to any contractor, subcontractor, laborer, mechanic or materialman for the performance of any labor or the furnishing of any material for any improvement, construction, alteration, or repair of the Property. Borrower further agrees that Lender does not stand in any fiduciary relationship to Borrower. Any contributions made, directly or indirectly, to Borrower by or on behalf of any of its partners, members, principals or any party related to such parties shall be treated as equity and shall be subordinate and inferior to the rights of Lender under the Documents.

**Section 3.10** Tax and Insurance Deposits. At Lender's option (exercisable only (i) if the Debt Service Coverage (as defined in the Loan Agreement) as to all Properties (as defined in the Loan Agreement) shall be less than 1.75 to 1.00, or (ii) there shall be an Event of Default under the Documents, or (iii) in the event that Borrower fails to timely deliver to Lender evidence of payment of Assessments or insurance premiums as required by Section 3.03(a) and Section 3.06(d), respectively), Borrower shall make monthly deposits ("**Deposits**") with Lender equal to one-twelfth (1/12<sup>th</sup>) of the annual Assessments (except for income taxes, franchise taxes, ground rents, maintenance charges and utility charges) and the premiums for insurance required under Section 3.06 (the "**Insurance Premiums**") together with amounts sufficient to pay these items thirty (30) days before they are due (collectively, the "**Impositions**"). Lender shall estimate the amount of the Deposits until ascertainable. At that time, Borrower shall promptly deposit any deficiency. Borrower shall promptly notify Lender of any changes to the amounts, schedules and instructions for payment of the Impositions. Borrower authorizes Lender or its agent to obtain the bills for Assessments directly from the appropriate tax or governmental authority. All Deposits are pledged to Lender and shall constitute additional security for the Obligations. The Deposits shall be held by Lender without interest (except to the extent required under Laws) and may be commingled with other funds. If (i) there is no Event of Default at the time of payment, (ii) Borrower has delivered bills or invoices to Lender for the Impositions in sufficient time to pay them when due, and (iii) the Deposits are sufficient to pay the Impositions or Borrower has deposited the necessary additional amount, then Lender shall pay the Impositions prior to their due date. Any Deposits remaining after payment of the Impositions shall, at Lender's option, be credited against the Deposits required for the following year or paid to Borrower. If an Event of Default occurs, the Deposits may, at Lender's option, be applied to the Obligations in any order of priority. Any application to principal shall be deemed a voluntary prepayment subject to the Prepayment Premium. Borrower shall not claim any credit against the principal and interest due under the Note for the Deposits. Upon an assignment or other transfer of this Instrument, Lender may pay over the Deposits in its possession to the assignee or transferee and then it shall be completely released from all liability with respect to the Deposits. Borrower shall look solely to the assignee or transferee with respect thereto. This provision shall apply to every transfer of the Deposits to a new assignee or transferee. Subject to Article V, a transfer of title to the Land shall automatically transfer to the new owner the beneficial interest in the Deposits. Upon full payment and satisfaction of this Instrument or, at Lender's option, at any prior time, the balance of the Deposits in Lender's possession shall be paid over to the record owner of the Land and no other party shall have any right or claim to the Deposits. Lender may transfer all its duties under this Section to such servicer or financial institution as Lender may periodically designate and Borrower agrees to make the Deposits to such servicer or institution.

**Section 3.11**                      ERISA.

(a) Borrower understands and acknowledges that, as of the date hereof, the source of funds from which Lender is extending the Loan will include one or more of the following accounts: (i) an “insurance company general account,” as that term is defined in Prohibited Transaction Class Exemption (“**PTE**”) 95-60 (60 Fed. Reg. 35925 (Jul. 12, 1995)), as to which Lender meets the conditions for relief in Sections I and IV of PTE 95-60; (ii) pooled and single client insurance company separate accounts, which are subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”); and (iii) one or more insurance company separate accounts maintained solely in connection with fixed contractual obligations of the insurance company, under which the amounts payable or credited to the plan are not affected in any manner by the investment performance of the separate account.

(b) Borrower represents and warrants to Lender that (i) Borrower is not an “employee benefit plan” as defined in Section 3(3) of ERISA, or a “governmental plan” within the meaning of Section 3(32) of ERISA; (ii) Borrower is not a “party in interest”, as defined in Section 3(14) of ERISA, other than as a service provider or an affiliate of a service provider, to any employee benefit plan that has invested in a separate account described in Section 3.11(a)(ii) above, from which funds have been derived to make the Loan, or if so, the execution of the Documents and making of the Loan thereunder do not constitute nonexempt prohibited transactions under ERISA; (iii) Borrower is not subject to state statutes regulating investments and fiduciary obligations with respect to governmental plans, or if subject to such statutes, is not in violation thereof in the execution of the Documents and the making of the Loan thereunder; (iv) the assets of Borrower do not constitute “plan assets” of one or more plans within the meaning of 29 C.F.R. Section 2510.3-101; and (v) one or more of the following circumstances is true: (1) equity interests in Borrower are publicly offered securities, within the meaning of 29 C.F.R. Section 2510.3-101(b)(2); (2) less than twenty-five percent (25%) of all equity interests in Borrower are held by “benefit plan investors” within the meaning of 29 C.F.R. Section 2510.3-101(f)(2); or (3) Borrower qualifies as an “operating company,” a “venture capital operating company” or a “real estate operating company” within the meaning of 29 C.F.R. Section 2510.3-101(c), (d) or (e), respectively.

(c) Borrower shall deliver to Lender such certifications and/or other evidence periodically requested by Lender, in its sole discretion, to verify the representations and warranties in Section 3.11(b) above. Failure to deliver these certifications or evidence, breach of these representations and warranties, or consummation of any transaction which would cause this Instrument or any exercise of Lender's rights under this Instrument to (i) constitute a non-exempt prohibited transaction under ERISA or (ii) violate ERISA or any state statute regulating governmental plans (collectively, a "**Violation**"), shall be an Event of Default. Notwithstanding anything in the Documents to the contrary, no sale, assignment, or transfer of any direct or indirect right, title, or interest in Borrower or the Property (including creation of a junior lien, encumbrance or leasehold interest) shall be permitted which would, in Lender's opinion, negate Borrower's representations in this Section or cause a Violation. At least fifteen (15) days before consummation of any of the foregoing, Borrower shall obtain from the proposed transferee or lienholder (i) a certification to Lender that the representations and warranties of this Section 3.11 will be true after consummation and (ii) an agreement to comply with this Section 3.11.

**Section 3.12** Environmental Representations, Warranties, and Covenants.

(a) Environmental Representations and Warranties. Borrower represents and warrants, to the best of Borrower's knowledge (after due inquiry and investigation, consisting of the Borrower's existing environmental reports with respect to the Property as delivered to Lender) and additionally based upon the environmental site assessment reports of the Property (collectively, the "**Environmental Report**"), that except as fully disclosed in the Environmental Report delivered to and approved by Lender: (i) there are no Hazardous Materials (defined below) or underground storage tanks affecting the Property ("**affecting the Property**" shall mean "in, on, under, stored, used or migrating to or from the Property") except for (A) routine office, cleaning, janitorial, maintenance and other materials and supplies necessary to operate the Property or used in connection with general office uses for its current use (or relating to historic uses disclosed in the Environmental Report) and (B) Hazardous Materials that are (1) in compliance with Environmental Laws (defined below), (2) have all required permits, and (3) are in only the amounts necessary to operate the Property or necessary in connection with the general office uses of any Tenant at the Property; (ii) there are no present or threatened Releases (defined below) of Hazardous Materials in violation of any Environmental Law affecting the Property (and no past Releases of Hazardous Materials in material violation of any Environmental Law affecting the Property); (iii) there is no present non-compliance with Environmental Laws or with permits issued pursuant thereto (and no past material non-compliance with Environmental Laws or with permits issued pursuant thereto); (iv) Borrower does not know of, and has not received, any written or oral notice or communication from any person relating to Hazardous Materials affecting the Property in violation of Environmental Laws; and (v) Borrower has provided to Lender, in writing, all material information relating to environmental conditions affecting the Property known to Borrower or contained in Borrower's files. "**Environmental Law**" means any present and future federal, state and local laws, statutes, ordinances, rules, regulations, standards, policies and other government directives or requirements, as well as common law, that apply to Borrower or the Property and relate to Hazardous Materials including the Comprehensive Environmental Response, Compensation and Liability Act and the Resource Conservation and Recovery Act. "**Hazardous Materials**" shall mean petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives, flammable materials; radioactive materials; polychlorinated biphenyls ("**PCBs**") and compounds containing them; lead and lead-based paint; Microbial Matter, infectious substances, asbestos or asbestos-containing materials in any form that is or could become friable; underground or above-ground storage tanks, whether empty or containing any substance; any substance the presence of which on the Property is prohibited by any federal, state or local authority; any substance that requires special handling; and any other material or substance now or in the future defined as a "hazardous substance," "hazardous material", "hazardous waste", "toxic substance", "toxic pollutant", "contaminant", or "pollutant" within the meaning of any Environmental Law. "**Release**" of any Hazardous Materials includes any release, deposit, discharge, emission, leaking, spilling, seeping, migrating, pumping, pouring, escaping, dumping, disposing or other movement of Hazardous Materials. "**Microbial Matter**" shall mean the presence of fungi or bacterial matter which reproduces through the release of spores or the splitting of cells, including, but not limited to, mold, mildew and viruses, whether or not such Microbial Matter is living.

( b ) Environmental Covenants. Borrower covenants and agrees that Borrower shall comply with (and shall use reasonable efforts to cause all occupants at the Property to comply with, as such covenants applies to each such occupant) the following: (i) all use and operation of the Property shall be in compliance with all Environmental Laws and required permits; (ii) there shall be no Releases of Hazardous Materials affecting the Property in violation of Environmental Laws; (iii) there shall be no Hazardous Materials affecting the Property except (A) routine office, cleaning, janitorial supplies, maintenance and other materials and supplies necessary to operate the Property or used in connection with general office uses, (B) in compliance with all Environmental Laws, (C) in compliance with all required permits, and (D) (1) in only the amounts necessary to operate the Property, (2) necessary in connection with the general office uses of any Tenant at the Property, or (3) as shall have been fully disclosed to and approved by Lender in writing; (iv) the Property shall be kept free and clear of all liens and encumbrances imposed by any Environmental Laws due to any act or omission by Borrower or any person (the “**Environmental Liens**”); (v) Borrower shall, at its sole expense, fully and expeditiously cooperate in a reasonably prompt manner with the Lender in all activities performed under Section 3.12(c) including providing all relevant information and making knowledgeable persons available for interviews; (vi) Borrower shall, at its sole expense, (A) perform any environmental site assessment or other investigation of environmental conditions at the Property upon Lender’s request based on Lender’s reasonable belief that the Property is not in compliance with all Environmental Laws, (B) share with Lender the results and reports of such site assessment or investigation and Lender and the applicable Indemnified Parties (defined below) shall be entitled to rely on such results and reports, and (C) complete any remediation of Hazardous Materials affecting the Property or other actions required by any Environmental Laws; (vii) Borrower shall use diligent efforts to enforce the obligations of each Tenant or other user of the Property to refrain from violation of any Environmental Law; (viii) Borrower shall promptly notify Lender in writing after it becomes aware of (A) the presence, Release, or threatened Release of Hazardous Materials affecting the Property in violation of Environmental Laws, (B) any non-compliance of the Property with any Environmental Laws, (C) any actual or potential Environmental Lien, (D) any required or proposed remediation of environmental conditions relating to the Property, or (E) any written or oral communication or notice from any person relating to Hazardous Materials affecting the Property, or any oral communication relating to or alleging any violation or potential violation of Environmental Law, and (ix) if an Asbestos Operation and Maintenance Plan and any other Operation and Maintenance Plan (collectively, the “**O&M Plan**”) is in effect (or required by Lender to be implemented) at the time of the closing of the Loan, then Borrower shall, at its sole expense, implement and continue the O&M Plan (with any modifications required to comply with applicable Laws), until payment and full satisfaction of the Obligations.

( c ) Lender’s Rights. Lender and any person designated by Lender may enter the Property to assess the environmental condition of the Property and its use including (i) conducting any environmental assessment or audit (the scope of which shall be determined by Lender) and (ii) taking samples of soil, groundwater or other water, air, or building materials, and conducting other invasive testing at all reasonable times when (A) a default has occurred under the Documents beyond any applicable grace or cure period provided therein, (B) Lender reasonably believes that a Release has occurred at or affecting the Property which may be in material violation of Environmental Laws or the Property is not in material compliance with all Environmental Laws, or (C) the Loan is being considered for sale (any out-of-pocket expenses incurred in connection with the entry under clause (C) only shall be at Lender’s expense). Borrower shall cooperate with and provide access to Lender and such person.

**Section 3.13** Electronic Payments. Unless directed otherwise in writing by Lender, all payments due under the Documents shall be made by electronic funds transfer debit entries to Borrower's account at an Automated Clearing House member bank satisfactory to Lender or by similar electronic transfer process selected by Lender. Each payment due under the Documents shall be initiated by Lender through the Automated Clearing House network (or similar electronic process) for settlement on the Due Date (as defined in the Note) for the payment. Borrower shall, at Borrower's sole cost and expense, direct its bank in writing to permit such electronic fund transfer debit entries (or similar electronic transfer) to be made by Lender. Prior to each payment Due Date under the Documents, Borrower shall deposit and/or maintain sufficient funds in Borrower's account to cover each debit entry. Any charges or costs, if any, by Borrower's bank for the foregoing shall be paid by Borrower.

**Section 3.14** Inspection. Borrower shall allow Lender and any person designated by Lender to enter upon the Property and conduct tests or inspect the Property at all reasonable times. Borrower shall assist Lender and such person in effecting said inspection.

**Section 3.15** Records, Reports, and Audits.

(a) Records and Reports. Borrower shall maintain, in accordance with generally accepted accounting principles ("GAAP"), complete and accurate books and records with respect to all operations of or transactions involving the Property. Borrower shall furnish Lender (i) annual financial statements for the Mack-Cali Realty Corporation (the "REIT Corporation"), and Lender agrees that as to annual financial statements for the REIT Corporation, delivery to Lender within thirty (30) days after filing with the United States Securities and Exchange Commission ("SEC") all financial reports to be filed by the REIT Corporation, Mack—Cali Realty, L.P. (together with any partnership which is hereafter the operating partnership for the REIT Corporation, the "Operating Partnership") and their subsidiaries with the SEC, including all 10Q, 10K and 8K reports, shall be acceptable, and (ii) annual operating statements for the Property [and Lender agrees that as to operating statements for the Property, the unaudited consolidating financial statement schedule of all individual property operations of the REIT Corporation and the Operating Partnership, or that portion of such financial statement schedule relating to the Property, in the format set forth in the Loan Agreement shall be acceptable] prepared in accordance with generally accepted accounting principles and certified by an authorized person, partner or official, together with such additional information as Lender may reasonably request. Borrower shall furnish Lender annual financial statements for any Major Tenants which are not publicly traded companies (including those listed in the Loan Agreement), and, upon written request of Lender, with respect to any other Major Tenants, in each case to the extent Borrower has the right to obtain such statements under the applicable Lease (and Borrower agrees that Borrower will pursue obtaining such statements actively and diligently), together with such additional information as Lender may reasonably request. As to financial statements of such tenants (a "Tenant Statement"), in the event of any failure of Borrower to deliver a Tenant Statement, the \$500.00 per month per statement late fee owing with respect to late financial statements as set forth below shall increase after any 12 months of delinquency as to any such Tenant Statement by an additional \$250 per month per statement (\$750 for months 13 through 24, \$1000 for months 24 through 36, and so on). Without limiting the obligation to pay the late fees as set forth in the preceding sentence, Lender shall have the right to deliver to Borrower a notice of default from Lender under this Instrument and the Documents for Borrower's failure to obtain and deliver a Tenant Statement for any month when any such Tenant Statement remains outstanding, provided, however, that Borrower shall be entitled to cure such failure either by the delivery of such Tenant Statement within thirty (30) days after such notice (in which event the underlying failure shall be cured) from Lender or by the delivery to such tenant within thirty (30) days after such notice from Lender of written notice (a "Tenant Default Notice") of such tenant's default under the terms of tenant's lease (in which event the underlying failure shall not be cured but the failure shall not ripen into an Event of Default hereunder unless in a succeeding month a new notice of default is sent by Lender to Borrower and Borrower thereafter fails to so cure such default) (and provided, further, however, that Lender agrees that Borrower shall not be obligated to terminate a tenant's lease solely on account of such failure of such tenant to comply with such obligation), and Borrower shall deliver to Lender copies of all correspondence received by or sent by or on behalf of Borrower or its agents with respect to such Tenant Statements.

(b) Delivery of Reports. All of the reports, statements, and items required under this Section shall be (i) certified as being true, correct, and accurate by an authorized person, partner, or officer of the delivering party or, at the deliverer's option, audited by a Certified Public Accountant; (ii) prepared in accordance with GAAP and satisfactory to Lender in form and substance; and (iii) delivered within the deadlines set forth above. If any one report, statement, or item is not received by Lender on its due date, a late fee of Five Hundred and No/100 Dollars (\$500.00) per month shall be due and payable by Borrower. If any one report, statement, or item is not received within thirty (30) days after written notice from Lender to Borrower that such report, statement or items was not received by its due date, Lender may immediately declare an Event of Default under the Documents. Borrower shall (i) provide Lender with such additional financial, management, or other information regarding Borrower, any general partner of Borrower, or the Property, as Lender may reasonably request (including, but not limited to, copies of statements from the Clearing Bank, as defined in that certain Cash Management Agreement between Borrower and Lender of even date herewith, with respect to collections in each of the accounts comprising Property Account A, as defined in such Cash Management Agreement), and (ii) upon Lender's request, deliver all items required by Section 3.15 in an electronic format (i.e. on computer disks) or by electronic transmission acceptable to Lender.

( c ) Inspection of Records. Borrower shall allow Lender or any person designated by Lender to examine, audit, and make copies of all such books and records and all supporting data at the place where these items are located at all reasonable times after reasonable advance notice; provided that no notice shall be required after any default under the Documents. Borrower shall assist Lender in effecting such examination. Upon five (5) days' prior notice, Lender may inspect and make copies of Borrower's or any general partner of Borrower's income tax returns with respect to the Property for the purpose of verifying any items referenced in this Section.

**Section 3.16** Borrower's Certificates. Within fifteen (15) days after Lender's request, Borrower shall furnish a written certification to Lender and any Investors (defined below) as to (a) the amount of the Obligations outstanding; (b) the interest rate, terms of payment, and maturity date of the Note; (c) the date to which payments have been paid under the Note; (d) whether any offsets or defenses exist against the Obligations and a detailed description of any listed; (e) whether all Leases are in full force and effect and have not been modified (or if modified, setting forth all modifications); (f) the date to which the Rents have been paid; (g) whether, to the best knowledge of Borrower, any defaults exist under the Leases and a detailed description of any listed; (h) the security deposit held by Borrower under each Lease and that such amount is the amount required under such Lease; (i) whether there are any defaults (or events which with the passage of time and/or giving of notice would constitute a default) under the Documents and a detailed description of any listed; (j) whether the Documents are in full force and effect; and (k) any other matters reasonably requested by Lender related to the Leases, the Obligations, the Property, or the Documents. For all non-residential properties and promptly upon Lender's request, Borrower shall use its best efforts to deliver a written certification to Lender and Investors from Tenants specified by Lender that: (a) their Leases are in full force and effect; (b) there are no defaults (or events which with the passage of time and/or the giving of notice would constitute a default) under their Leases or, if any exist, a detailed description of any listed; (c) none of the Rents have been paid more than one month in advance; (d) there are no offsets or defenses against the Rents or, if any exist, a detailed description of any listed; and (e) any other matters reasonably requested by Lender related to the Leases; provided, however, that Borrower shall not have to pay money to a Tenant to obtain such certification, but it will deliver a landlord's certification for any certification it cannot obtain.

**Section 3.17** Full Performance Required; Survival of Warranties. All representations and warranties of Borrower in the Loan application or made in connection with the Loan shall survive the execution and delivery of the Documents and Borrower shall not perform any action, or permit any action to be performed, which would cause any of the warranties and representations of Borrower to become untrue in any manner, except for such actions as may be expressly permitted by the terms and conditions of this Instrument or any of the other Documents.

**Section 3.18** Additional Security. No other security now existing or taken later to secure the Obligations shall be affected by the execution of the Documents and all additional security shall be held as cumulative. The taking of additional security, execution of partial releases, or extension of the time for the payment obligations of Borrower shall not diminish the effect and lien of this Instrument and shall not affect the liability or obligations of any maker or guarantor. Neither the acceptance of the Documents nor their enforcement shall prejudice or affect Lender's right to realize upon or enforce any other security now or later held by Lender. Lender may enforce the Documents or any other security in such order and manner as it may determine in its discretion.

**Section 3.19** Further Acts. Borrower shall take all necessary actions to (i) keep valid and effective the lien and rights of Lender under the Documents and (ii) protect the lawful owner of the Documents. Promptly upon request by Lender and at Borrower's expense, Borrower shall execute additional instruments and take such actions as Lender reasonably believes are necessary or desirable to (a) maintain or grant Lender a first-priority, perfected lien on the Property, (b) grant to Lender, to the fullest extent permitted by Laws, the right to foreclose on, or transfer title to, the Property non-judicially, (c) correct any error or omission in the Documents; and (d) effect the intent of the Documents, including filing/recording the Documents, additional mortgages or deeds of trust, financing statements, and other instruments.

**Section 3.20** Compliance with Anti-Terrorism Regulations.

(a) Borrower hereby covenants and agrees that neither Borrower nor any guarantor, nor any persons or entities holding any legal or beneficial interest whatsoever in Borrower or any guarantor (whether directly or indirectly), other than (i) Individual Shareholders and (ii) limited partners in Mack-Cali Realty, L.P., will knowingly conduct business with or engage in any transaction with any person or entity named on any of the OFAC Lists or any person or entity included in, owned by, controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the persons or entities referred to or described in the OFAC Lists. Borrower will not grant any consent or permission, nor direct, any Individual Shareholders or limited partners in Mack-Cali Realty, L.P. to conduct business with or engage in any transaction with any person or entity named on any of the OFAC Lists or any person or entity included in, owned by, controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the persons or entities referred to or described in the OFAC Lists, and should Borrower become aware of any such activity, Borrower shall promptly report such activity as and to the extent required by applicable law.

(b) Borrower hereby covenants and agrees that it will comply at all times with the requirements of Executive Order 13224; the International Emergency Economic Powers Act, 50 U.S.C. Sections 1701-06; the United and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56; the Iraqi Sanctions Act, Pub. L. 101-513, 104 Stat. 2047-55; the United Nations Participation Act, 22 U.S.C. Section 287c; the Antiterrorism and Effective Death Penalty Act, (enacting 8 U.S.C. Section 219, 18 U.S.C. Section 2332d, and 18 U.S.C. Section 2339b); the International Security and Development Cooperation Act, 22 U.S.C. Section 2349 aa-9; the Terrorism Sanctions Regulations, 31 C.F.R. Part 595; the Terrorism List Governments Sanctions Regulations, 31 C.F.R. Part 596; and the Foreign Terrorist Organizations Sanctions Regulations, 31 C.F.R. Part 597 and any similar laws or regulations currently in force or hereafter enacted (collectively, the “**Anti-Terrorism Regulations**”).

(c) Borrower hereby covenants and agrees that if it becomes aware or receives any notice that Borrower, any guarantor or the Property, or any person or entity holding any legal or beneficial interest whatsoever (whether directly or indirectly) in Borrower, any guarantor or in the Property, is named on any of the OFAC Lists (such occurrence, an “**OFAC Violation**”), Borrower will immediately (i) give notice to Lender of such OFAC Violation, and (ii) comply with all Laws applicable to such OFAC Violation (regardless of whether the party included on any of the OFAC Lists is located within the jurisdiction of the United States of America), including, without limitation, the Anti-Terrorism Regulations, and Borrower hereby authorizes and consents to Lender’s taking any and all steps Lender deems necessary, in its sole discretion, to comply with all Laws applicable to any such OFAC Violation, including, without limitation, the requirements of the Anti-Terrorism Regulations (including the “freezing” and/or “blocking” of assets).

(d) Upon Lender’s request from time to time during the term of the Loan, Borrower agrees to deliver a certification confirming that the representations and warranties set forth in Section 2.09 above remain true and correct as of the date of such certificate and confirming Borrower’s and any guarantor’s compliance with this Section 3.20.

**Section 3.21** Compliance with Property as Single Asset. Borrower hereby covenants and agrees that (i) during the term of the Loan, Borrower shall not own any assets in addition to the Property, (ii) the Property shall remain as a single property or project, and (iii) during the term of the Loan, the Property shall generate substantially all of the gross income of Borrower and there shall be no substantial business being conducted, either directly or indirectly, by Borrower other than the business of owning and operating the Property and the activities incidental thereto.

**ARTICLE IV - ADDITIONAL ADVANCES; EXPENSES; SUBROGATION**

**Section 4.01** Expenses and Advances. Borrower shall pay all reasonable appraisal, recording, filing, registration, brokerage (exclusive of any brokerage fees or commissions incurred solely by Lender), abstract, title insurance (including premiums), title searches and examinations, surveys and similar data and assurances with respect to title, U.C.C. search, escrow, attorneys’ (both in-house staff and retained attorneys, except that payment would not be required for in house staff for routine loan servicing performed in the ordinary course of business and for the performance of which Lender is not routinely reimbursed by other borrowers in the ordinary course of Lender’s business), engineers’, environmental engineers’, environmental testing, and architects’ fees, costs (including travel), expenses, and disbursements incurred by Borrower or Lender and reasonable fees charged by Lender in connection with the granting, closing (except that payment would not be required for in house staff for the granting and closing of the Loan), servicing (other than routine loan servicing performed in the ordinary course of business and for the performance of which Lender is not routinely reimbursed by other borrowers in the ordinary course of Lender’s business), and enforcement of (a) the Loan and the Documents or (b) attributable to Borrower as owner of the Property. The term “**Costs**” shall mean any of the foregoing incurred in connection with (a) any default by Borrower under the Documents, (b) the routine (other than routine loan servicing performed in the ordinary course of business and for the performance of which Lender is not routinely reimbursed by other borrowers in the ordinary course of Lender’s business) servicing of the Loan in response to requests by Borrower, or (c) the exercise, enforcement, compromise, defense, litigation, or settlement of any of Lender’s rights or remedies under the Documents or relating to the Loan or the Obligations. If Borrower fails to pay any amounts or perform any actions required under the Documents, Lender may (but shall not be obligated to) advance sums to pay such amounts or perform such actions. Borrower grants Lender the right to enter upon and take possession of the Property to prevent or remedy any such failure and the right to take such actions in Borrower’s name. No advance or performance shall be deemed to have cured a default by Borrower. All (a) sums advanced by or payable to Lender per this Section or under applicable Laws, (b) except as expressly provided in the Documents, payments due under the Documents which are not paid in full when due, and (c) Costs, shall: (i) be deemed demand obligations, (ii) bear interest from the date of demand at the Default Rate until paid if not paid on demand, (iii) be part of, together with such interest, the Obligations, and (iv) be secured by the Documents. Lender, upon making any such advance, shall also be subrogated to rights of the person receiving such advance.



**Section 4.02**            Subrogation. If any proceeds of the Note were used to extinguish, extend or renew any indebtedness on the Property, then, to the extent of the funds so used, (a) Lender shall be subrogated to all rights, claims, liens, titles and interests existing on the Property held by the holder of such indebtedness and (b) these rights, claims, liens, titles and interests are not waived but rather shall (i) continue in full force and effect in favor of Lender and (ii) are merged with the lien and security interest created by the Documents as cumulative security for the payment and performance of the Obligations.

**ARTICLE V - SALE, TRANSFER, OR ENCUMBRANCE OF THE PROPERTY**

**Section 5.01**            Due-on-Sale or Encumbrance. It shall be an Event of Default and, at the sole option of Lender, Lender may accelerate the Obligations and the entire Obligations (including any Prepayment Premium) shall become immediately due and payable, if, without Lender's prior written consent (which consent may be given or withheld for any or no reason or given conditionally, in Lender's sole discretion) any of the following shall occur:

- (i)        Borrower shall sell, convey, assign, transfer, dispose of or otherwise be divested of its title to the Property;
- (ii)        Borrower shall mortgage, convey security title to, or otherwise encumber or cause to be encumbered the Property or any interest therein in any manner or way (whether direct or indirect, voluntary or involuntary); or
- (iii)        in the event of:

- (a) except as set forth below in Section 5.02, 5.03 and 5.04 below, any merger, consolidation or dissolution involving, or the sale or transfer of all or substantially all of the assets of, Borrower or of any general partner of Borrower (or of Mack-Cali Realty Corporation or the then existing operating partnership of Mack-Cali Realty Corporation);
- (b) except as set forth below in Section 5.02, 5.03 and 5.04 below, the transfer (at one time or over any period of time) of 49% or more of:
  - (1) (x) any ownership interests in the Borrower, regardless of the type or form of entity of Borrower, (y) the voting stock or ownership interest of any corporation or limited liability company which is, respectively, general partner or managing member of Borrower or any corporation or limited liability company directly or indirectly owning 49% or more of any such corporation or limited liability company, or (z) the ownership interests of any owner of fifty percent (50%) or more of the beneficial interests of Borrower if Borrower is a trust; or
  - (2) except as provided in Section 5.02, 5.03 and 5.04 below, any general partnership, managing member or controlling interest in (x) Borrower, (y) an entity which is in Borrower's chain of ownership and which is derivatively liable for the obligations of Borrower, or (z) any entity that has the right to participate directly or indirectly in the control of the management or operations of Borrower; or
- (c) except as set forth in Section 5.02, 5.03 and 5.04 below, in the event of the conversion of any general partnership interest in Borrower to a limited partnership interest, if Borrower is a partnership; or
- (d) except as set forth in Section 5.02, 5.03 and 5.04 below, in the event of any change, removal, or resignation of any general partner of Borrower, if Borrower is a partnership; or
- (e) except as set forth in Section 5.02, 5.03 and 5.04 below, in the event of any change, removal, addition, or resignation of a managing member of Borrower (or if no managing member, any member), if Borrower is a limited liability company;
- (f) Borrower shall (i) obtain any secured or unsecured debt except for customary and reasonable short-term trade payables (including, without limitation, equipment leases) obtained and repaid in the ordinary course of Borrower's business or (ii) guarantee, or otherwise agree to be liable for (whether conditionally or unconditionally), any obligation of any person or entity.

This provision shall not apply to transfers of title or interest under any will (or applicable law of descent) or transfers of limited partnership interests to other wholly owned subsidiaries of the Mack-Cali Realty Corporation (the "REIT Corporation") or Mack—Cali Realty, L.P. (together with any partnership that is hereafter the operating partnership for the REIT Corporation, the "Operating Partnership").

**Section 5.02** Certain Transfers Excluded. Notwithstanding the foregoing and subject to Section 5.03 and 5.04 below, Section 5.01 shall not apply to transfers of publicly traded REIT stock in the REIT Corporation, and Section 5.01 shall not apply to transfers of limited partnership interests in the Operating Partnership or to the admission of additional limited partners in the Operating Partnership.

**Section 5.03**            Merger. Notwithstanding the foregoing and subject to Section 5.05 below, so long as the Loan is still secured by this Instrument, if no Event of Default (or event which with the passage of time or the giving of notice or both would be an Event of Default) has occurred and is continuing, Lender agrees that, upon forty five (45) days prior written request of Borrower, Lender shall consent to the transfer of beneficial interests in the Borrower in connection with any merger of the REIT Corporation or the Operating Partnership into another Person, if:

- (i) the proposed transferee [the “Successor Entity”; as used herein, such term includes the surviving party from such merger other than the Operating Partnership, REIT Corporation or an entity controlled by the shareholders of the REIT Corporation and/or unit holders of the Operating Partnership (in which event no such consent shall be required)] of the Property is a United States person;
- (ii) Borrower pays Lender a non-refundable servicing fee (of \$25,000.00) at the time of the request, and an additional fee equal to 0.25% of the outstanding principal balance of the Loan (less the \$25,000.00 paid at the time of the request) at the time of the transfer;
- (iii) at Lender's option, Lender's title policy is endorsed to verify the first priority of this Instrument at Borrower's expense (to bring forward the effective date thereof and set forth the current schedule of subordinate matters with respect to title, provided, however, that if any element of such endorsement shall require payment of a new full title premium, Lender agrees to accept a title company certification or title report in lieu of such element);
- (iv) the Successor Entity expressly assumes all obligations applicable to the Operating Partnership or the REIT Corporation under the Documents and executes any documents reasonably required by Lender, and all of these documents are reasonably satisfactory in form and substance to Lender;
- (v) Borrower shall deliver to Lender copies of all transfer documents and merger documents (to the extent Borrower is permitted by law to reveal such documents);
- (vi) the Successor Entity complies with and delivers the ERISA Certificate and Indemnification Agreement described in the guidelines with respect thereto then applicable to Lender's mortgage loans (the “Guidelines”) and the Successor Entity provides representations and warranties satisfactory to Lender regarding the Anti-Terrorism Lists and the Anti-Terrorism and Anti-Money Laundering Laws in accordance with the guidelines with respect thereto then applicable to Lender's mortgage loans;
- (vii) Borrower or the Successor Entity pays all reasonable fees, costs, and expenses incurred by Lender in connection with the proposed transfer, including, without limitation, all legal (for both outside counsel and Lender's staff attorneys), accounting, title insurance, documentary stamps taxes, intangibles taxes, mortgage taxes, recording fees, and appraisal fees, whether or not the transfer is actually consummated.

**Section 5.04** Certain Affiliate Transactions. Notwithstanding the foregoing and subject to Section 5.05 below, Lender agrees that, upon fifteen (15) days prior written request of Borrower, Borrower, and any transferee of Borrower permitted below, may engage in the transactions described below, provided that all of the following conditions are met:

- (i) there is no Event of Default under the Documents (or event which with the passage of time or the giving of notice or both would be an Event of Default);
- (ii) the transferee (or successor entity) expressly assumes all applicable obligations under the Documents and executes any documents reasonably required by Lender, and all of these documents are satisfactory in form and substance to Lender;
- (iii) Lender reasonably approves the form and content of all transfer documents, and Lender is furnished with a certified copy of the recorded transfer documents;
- (iv) the transferee complies with and delivers the ERISA Certificate and Indemnification Agreement described in the Guidelines and the transferee provides representations and warranties satisfactory to Lender regarding the Anti-Terrorism Lists and the Anti-Terrorism and Anti-Money Laundering Laws in accordance with the guidelines with respect thereto then applicable to Lender's mortgage loans;
- (v) Borrower pays Lender a non-refundable servicing fee (of \$1,000.00 per Property) at the time of the request; and
- (vi) payment by Borrower or the proposed transferee (or successor entity) of (1) all costs and expenses incurred by Lender for the processing of said transfer including a processing fee; (2) any documentary stamp taxes, intangible taxes, recording fees, and other costs and expenses required in connection with the assumption agreement and any modification of the Documents, and (3) all other costs and expenses (including attorneys' fees and expenses for Lender's staff attorneys and outside counsel) of the preparation of the assumption agreement and any modification of the Documents.

Provided all of the foregoing conditions are fulfilled with respect to each such transfer, Borrower may engage in the following transactions, and the provisions of this Section shall not apply to (and no other provision of the Documents shall prohibit, subject to compliance with Section 5.05):

- (a) the Borrower shall have the right to merge with the Operating Partnership, with the result that the Operating Partnership shall then be the Borrower on such Loan; and
- (b) the Borrower shall have the right to transfer a Property to another wholly owned subsidiary of the REIT Corporation or the Operating Partnership.

**Section 5.05** REIT Participation and Ownership. At all times, (a) the REIT Corporation (and/or a wholly owned qualified REIT subsidiary), or, after a merger transaction involving the REIT Corporation in accordance with Section 5.03 above, the Successor Entity to the REIT Corporation, shall at all times remain the sole general partner (or the sole general partners) of the Operating Partnership, and (b) the REIT Corporation and the Operating Partnership, or, after a merger transaction in accordance with Section 5.03 above, the Successor Entity, shall own, directly or indirectly through qualified REIT subsidiaries, 100% of the Borrower.

## ARTICLE VI - DEFAULTS AND REMEDIES

**Section 6.01** Events of Default. The following shall be an “**Event of Default**”:

(a) if Borrower fails to make any payment required under the Documents when due and such failure continues for five (5) days after written notice; *provided*, however, that if Lender gives one (1) notice of such a default within any twelve (12) month period, Borrower shall have no further right to any notice of such a default during the next following twelve (12) month period; *provided*, further, however, Borrower shall have no right to any such notice upon the maturity date of the Note;

(b) except for defaults listed in the other subsections of this Section 6.01, if Borrower fails to perform or comply with any other provision contained in the Documents that is capable of cure by the payment of money and the default is not cured within fifteen (15) days of Lender providing written notice thereof; *provided*, however, that if Lender gives one (1) notice of such a default within any twelve (12) month period, Borrower shall have no further right to any notice of such a default during the next following twelve (12) month period;

(c) except for defaults listed in the other subsections of this Section 6.01, if Borrower fails to perform or comply with any other provision contained in the Documents and the default is not cured within thirty (30) days after Lender providing written notice thereof (the “**Grace Period**”); *provided*, however, that Lender may extend the Grace Period up to an additional sixty (60) days (for a total of ninety (90) days from the date of default) if (i) Borrower immediately commences and diligently pursues the cure of such default and delivers (within the Grace Period) to Lender a written request for more time and (ii) Lender determines in good faith that (1) such default cannot be cured within the Grace Period but can be cured within ninety (90) days after the default, (2) no lien or security interest created by the Documents will be impaired prior to completion of such cure, and (3) Lender’s immediate exercise of any remedies provided hereunder or by law is not necessary for the protection or preservation of the Property or Lender’s security interest;

(d) if any representation made (i) in connection with the Loan or the Obligations or (ii) in the Loan application or Documents shall be false or misleading in any material respect;

(e) if any default under Article V occurs;

(f) if Borrower shall (i) become insolvent, (ii) make a transfer in fraud of creditors, (iii) make an assignment for the benefit of its creditors, (iv) not be able to pay its debts as such debts become due, or (v) admit in writing its inability to pay its debts as they become due;

(g) if any bankruptcy, reorganization, arrangement, insolvency, or liquidation proceeding, or any other proceedings for the relief of debtors, is instituted by or against Borrower, and, if instituted against Borrower, is allowed, consented to, or not dismissed within the earlier to occur of (i) ninety (90) days after such institution or (ii) the filing of an order for relief;

(h) if any of the events in Sections 6.01 (f) or (g) shall occur with respect to any (i) managing member of Borrower (if Borrower is a limited liability company), (ii) general partner of Borrower (if Borrower is a partnership), or (iii) guarantor of payment and/or performance of any of the Obligations;

- (i) if the Property shall be taken, attached, or sequestered on execution or other process of law in any action against Borrower;
- (j) if any default occurs under the Environmental Indemnity (defined below) and such default is not cured within any applicable grace period in that document;
- (k) if Borrower shall fail at any time to obtain, maintain, renew, or keep in force the insurance policies required by Section 3.06 within ten (10) days after written notice;
- (l) if Borrower shall be in default under any other mortgage, deed of trust, deed to secure debt, or security agreement covering any part of the Property, whether it be superior or junior in lien to this Instrument;
- (m) if any claim of priority (except based upon a Permitted Encumbrance) to the Documents by title, lien, or otherwise shall be upheld by any court of competent jurisdiction or shall be consented to by Borrower;
- (n) (i) the consummation by Borrower of any transaction which would cause (A) the Loan or any exercise of Lender's rights under the Documents to constitute a non-exempt prohibited transaction under ERISA or (B) a violation of a state statute regulating governmental plans; (ii) the failure of any representation in Section 3.11 to be true and correct in all respects; or (iii) the failure of Borrower to provide Lender with the written certifications required by Section 3.11; or
- (o) (i) the consummation by Borrower of any transaction which would cause an OFAC Violation; (ii) the failure of any representation in Section 2.09 to be true and correct in all respects; or (iii) the failure of Borrower to comply with the provisions of Section 3.20, unless such default is cured within the lesser of (A) fifteen (15) days after written notice of such default to Borrower or (B) the shortest cure period, if any, provided for under any Laws applicable to such matters (including, without limitation, the Anti-Terrorism Regulations).

**Section 6.02 Remedies.** If an Event of Default occurs, Lender or any person designated by Lender may (but shall not be obligated to) take any action (separately, concurrently, cumulatively, and at any time and in any order) permitted under any Laws, without notice, demand, presentment, or protest (all of which are hereby waived), to protect and enforce Lender's rights under the Documents or Laws including the following actions:

- (a) accelerate and declare the entire unpaid Obligations immediately due and payable, except for defaults under Section 6.01 (f), (g), (h), or (i) which shall automatically make the Obligations immediately due and payable;
- (b) judicially or otherwise, (i) completely foreclose this Instrument or (ii) partially foreclose this Instrument for any portion of the Obligations due and the lien and security interest created by this Instrument shall continue unimpaired and without loss of priority as to the remaining Obligations not yet due;
- (c) sell for cash or upon credit the Property and all right, title and interest of Borrower therein and rights of redemption thereof, pursuant to power of sale;

- (d) recover judgment on the Note either before, during or after any proceedings for the enforcement of the Documents and without any requirement of any action being taken to (i) realize on the Property or (ii) otherwise enforce the Documents;
- (e) seek specific performance of any provisions in the Documents;
- (f) apply for the appointment of a receiver, custodian, trustee, liquidator, or conservator of the Property without (i) notice to any person, (ii) regard for (A) the adequacy of the security for the Obligations or (B) the solvency of Borrower or any person liable for the payment of the Obligations; and Borrower and any person so liable waives or shall be deemed to have waived the foregoing and any other objections to the fullest extent permitted by Laws and consents or shall be deemed to have consented to such appointment;
- (g) with or without entering upon the Property, (i) exclude Borrower and any person from the Property without liability for trespass, damages, or otherwise, (ii) take possession of, and Borrower shall surrender on demand, all books, records, and accounts relating to the Property, (iii) give notice to Tenants or any person, make demand for, collect, receive, sue for, and recover in its own name all Rents and cash collateral derived from the Property; (iv) use, operate, manage, preserve, control, and otherwise deal with every aspect of the Property including (A) conducting its business, (B) insuring it, (C) making all repairs, renewals, replacements, alterations, additions, and improvements to or on it, (D) completing the construction of any Improvements in manner and form as Lender deems advisable, and (E) executing, modifying, enforcing, and terminating new and existing Leases on such terms as Lender deems advisable and evicting any Tenants in default; (v) apply the receipts from the Property to payment of the Obligations, in any order or priority determined by Lender, after first deducting all Costs, expenses, and liabilities incurred by Lender in connection with the foregoing operations and all amounts needed to pay the Impositions and other expenses of the Property, as well as just and reasonable compensation for the services of Lender and its attorneys, agents, and employees; and/or (vi) in every case in connection with the foregoing, exercise all rights and powers of Borrower or Lender with respect to the Property, either in Borrower's name or otherwise;
- (h) release any portion of the Property for such consideration, if any, as Lender may require without, as to the remainder of the Property, impairing or affecting the lien or priority of this Instrument or improving the position of any subordinate lienholder with respect thereto, except to the extent that the Obligations shall have been actually reduced, and Lender may accept by assignment, pledge, or otherwise any other property in place thereof as Lender may require without being accountable for so doing to any other lienholder;
- (i) apply any Deposits to the following items in any order and in Lender's sole discretion: (A) the Obligations, (B) Costs, (C) advances made by Lender under the Documents, and/or (D) Impositions;
- (j) take all actions permitted under the U.C.C. of the Property State including (i) the right to take possession of all tangible and intangible personal property now or hereafter included within the Property ("**Personal Property**") and take such actions as Lender deems advisable for the care, protection and preservation of the Personal Property and (ii) request Borrower at its expense to assemble the Personal Property and make it available to Lender at a convenient place acceptable to Lender. Any notice of sale, disposition or other intended action by Lender with respect to the Personal Property sent to Borrower at least five (5) days prior to such action shall constitute commercially reasonable notice to Borrower; or

(k) take any other action permitted under any Laws.

If Lender exercises any of its rights under Section 6.02(g), Lender shall not (a) be deemed to have entered upon or taken possession of the Property except upon the exercise of its option to do so, evidenced by its demand and overt act for such purpose; (b) be deemed a beneficiary or mortgagee in possession by reason of such entry or taking possession; nor (c) be liable (i) to account for any action taken pursuant to such exercise other than for Rents actually received by Lender, (ii) for any loss sustained by Borrower resulting from any failure to lease the Property, or (iii) any other act or omission of Lender except for losses caused by Lender's willful misconduct or gross negligence. Borrower hereby consents to, ratifies, and confirms the exercise by Lender of its rights under this Instrument and appoints Lender as its attorney-in-fact, which appointment shall be deemed to be coupled with an interest and irrevocable, for such purposes.

**Section 6.03** Expenses. All Costs, expenses, or other amounts paid or incurred by Lender in the exercise of its rights under the Documents, together with interest thereon at the applicable interest rate specified in the Note, which shall be the Default Rate unless prohibited by Laws, shall be (a) part of the Obligations, (b) secured by this Instrument, and (c) allowed and included as part of the Obligations in any foreclosure, decree for sale, power of sale, or other judgment or decree enforcing Lender's rights under the Documents.

**Section 6.04** Rights Pertaining to Sales. To the extent permitted under (and in accordance with) any Laws, the following provisions shall, as Lender may determine in its sole discretion, apply to any sales of the Property under Article VI, whether by judicial proceeding, judgment, decree, power of sale, foreclosure or otherwise: (a) Lender may conduct a single sale of the Property or multiple sales of any part of the Property in separate tracts or in any other manner as Lender deems in its best interests and Borrower waives any right to require otherwise; (b) if Lender elects more than one sale of the Property, Lender may at its option cause the same to be conducted simultaneously or successively, on the same day or on such different days or times and in such order as Lender may deem to be in its best interests, no such sale shall terminate or otherwise affect the lien of this Instrument on any part of the Property not then sold, and Borrower shall pay the costs and expenses of each such sale; (c) any sale may be postponed or adjourned by public announcement at the time and place appointed for such sale or for such postponed or adjourned sale without further notice or such sale may occur, without further notice, at the time fixed by the last postponement or a new notice of sale may be given; and (d) Lender may acquire the Property and, in lieu of paying cash, may pay by crediting against the Obligations the amount of its bid, after deducting therefrom any sums which Lender is authorized to deduct under the provisions of the Documents. After any such sale, Lender shall deliver to the purchaser at such sale a deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in any such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any Person, including Borrower or Lender, may purchase at such sale.

**Section 6.05** Application of Proceeds. Any proceeds received from any sale or disposition under Article VI or otherwise, together with any other sums held by Lender, shall, except as expressly provided to the contrary, be applied in the order determined by Lender to: (a) payment of all Costs and expenses of any enforcement action or foreclosure sale, transfer of title by power of sale or otherwise (if applicable), including interest thereon at the applicable interest rate specified in the Note, which shall be the Default Rate unless prohibited by Laws, (b) all taxes, Assessments, and other charges unless the Property was sold subject to these items; (c) payment of the Obligations in such order as Lender may elect; (d) payment of any other sums secured or required to be paid by Borrower; and (e) payment of the surplus, if any, to any person lawfully entitled to receive it. Borrower and Lender intend and agree that during any period of time between any foreclosure judgment that may be obtained and the actual foreclosure sale that the foreclosure judgment will not extinguish the Documents or any rights contained therein including the obligation of Borrower to pay all Costs and to pay interest at the applicable interest rate specified in the Note, which shall be the Default Rate unless prohibited by Laws.



**Section 6.06** Additional Provisions as to Remedies. No failure, refusal, waiver, or delay by Lender to exercise any rights under the Documents upon any default or Event of Default shall impair Lender's rights or be construed as a waiver of, or acquiescence to, such or any subsequent default or Event of Default. No recovery of any judgment by Lender and no levy of an execution upon the Property or any other property of Borrower shall affect the lien and security interest created by this Instrument and such liens, rights, powers, and remedies shall continue unimpaired as before. Lender may resort to any security given by this Instrument or any other security now given or hereafter existing to secure the Obligations, in whole or in part, in such portions and in such order as Lender may deem advisable, and no such action shall be construed as a waiver of any of the liens, rights, or benefits granted hereunder. Acceptance of any payment after any Event of Default shall not be deemed a waiver or a cure of such Event of Default and such acceptance shall be deemed an acceptance on account only. If Lender has started enforcement of any right by foreclosure, sale, entry, or otherwise and such proceeding shall be discontinued, abandoned, or determined adversely for any reason, then Borrower and Lender shall be restored to their former positions and rights under the Documents with respect to the Property, subject to the lien and security interest hereof.

**Section 6.07** Waiver of Rights and Defenses. To the fullest extent Borrower may do so under Laws, Borrower (a) will not at any time insist on, plead, claim, or take the benefit of any statute or rule of law now or later enacted providing for any appraisal, valuation, stay, extension, moratorium, redemption, or any statute of limitations; (b) for itself, its successors and assigns, and for any person ever claiming an interest in the Property (other than Lender), waives and releases all rights of redemption, reinstatement, valuation, appraisal, notice of intention to mature or declare due the whole of the Obligations, all rights to a marshaling of the assets of Borrower, including the Property, or to a sale in inverse order of alienation, in the event of foreclosure (or extinguishment by transfer of title by power of sale) of the liens and security interests created under the Documents; (c) shall not be relieved of its obligation to pay the Obligations as required in the Documents nor shall the lien or priority of the Documents be impaired by any agreement renewing, extending, or modifying the time of payment or the provisions of the Documents (including a modification of any interest rate), unless expressly released, discharged, or modified by such agreement. Regardless of consideration and without any notice to or consent by the holder of any subordinate lien, security interest, encumbrance, right, title, or interest in or to the Property, Lender may (a) release any person liable for payment of the Obligations or any portion thereof or any part of the security held for the Obligations or (b) modify any of the provisions of the Documents without impairing or affecting the Documents or the lien, security interest, or the priority of the modified Documents as security for the Obligations over any such subordinate lien, security interest, encumbrance, right, title, or interest.

#### ARTICLE VII - SECURITY AGREEMENT

**Section 7.01** Security Agreement. This Instrument constitutes both a real property mortgage and a "security agreement" within the meaning of the U.C.C. The Property includes real and personal property and all tangible and intangible rights and interest of Borrower in the Property. Borrower grants to Lender, as security for the Obligations, a security interest in the Personal Property to the fullest extent that the Personal Property may be subject to the U.C.C. Borrower authorizes Lender to file any financing or continuation statements and amendments thereto relating to the Personal Property without the signature of Borrower if permitted by Laws.

## ARTICLE VIII - LIMITATION ON PERSONAL LIABILITY AND INDEMNITIES

**Section 8.01** Limited Recourse Liability. The provisions of Paragraph 8 and Paragraph 9 of the Note are incorporated into this Instrument as if such provisions were set forth in their entirety in this Instrument.

**Section 8.02** General Indemnity. Borrower agrees that while Lender has no liability to any person in tort or otherwise as lender and that Lender is not an owner or operator of the Property, Borrower shall, at its sole expense, protect, defend, release, indemnify and hold harmless (“**indemnify**”) the Indemnified Parties from any Losses (defined below) imposed on, incurred by, or asserted against the Indemnified Parties, directly or indirectly, arising out of or in connection with the Property, Loan, or Documents, including Losses; provided, however, that the foregoing indemnities shall not apply to any Losses caused by the gross negligence or willful misconduct of the Indemnified Parties. The term “**Losses**” shall mean any claims, suits, liabilities (including strict liabilities), actions, proceedings, obligations, debts, damages, losses (including, without limitation, unrealized loss of value of the Property), Costs, expenses, fines, penalties, charges, fees, judgments, awards, and amounts paid in settlement of whatever kind including attorneys’ fees (both in-house staff and retained attorneys) and all other costs of defense. The term “**Indemnified Parties**” shall mean (a) Lender, (b) any prior owner or holder of the Note, (c) any existing or prior servicer of the Loan, (d) the officers, directors, shareholders, partners, members, employees and trustees of any of the foregoing, and (e) the heirs, legal representatives, successors and assigns of each of the foregoing.

**Section 8.03** Transaction Taxes Indemnity. Borrower shall, at its sole expense, indemnify the Indemnified Parties from all Losses imposed upon, incurred by, or asserted against the Indemnified Parties or the Documents relating to Transaction Taxes.

**Section 8.04** ERISA Indemnity. Borrower shall, at its sole expense, indemnify the Indemnified Parties against all Losses imposed upon, incurred by, or asserted against the Indemnified Parties (a) as a result of a Violation, (b) in the investigation, defense, and settlement of a Violation, (c) as a result of a breach of the representations in Section 3.11 or default thereunder, (d) in correcting any prohibited transaction or the sale of a prohibited loan, and (e) in obtaining any individual prohibited transaction exemption under ERISA that may be required, in Lender’s sole discretion.

**Section 8.05** Environmental and ERISA Indemnity. Borrower and other persons, if any, have executed and delivered the Environmental and ERISA Indemnity Agreement dated the date hereof to Lender (“**Environmental Indemnity**”).

**Section 8.06** Duty to Defend, Costs and Expenses. Upon request, whether Borrower’s obligation to indemnify Lender arises under Article VIII or in the Documents, Borrower shall defend the Indemnified Parties (in Borrower’s or the Indemnified Parties’ names) by attorneys and other professionals reasonably approved by the Indemnified Parties. Notwithstanding the foregoing, the Indemnified Parties may, in their sole discretion, engage their own attorneys and professionals to defend or assist them and, at their option, their attorneys shall control the resolution of any claims or proceedings. Upon demand, Borrower shall pay or, in the sole discretion of the Indemnified Parties, reimburse and/or indemnify the Indemnified Parties for all Costs imposed on, incurred by, or asserted against the Indemnified Parties by reason of any items set forth in this Article VIII and/or the enforcement or preservation of the Indemnified Parties’ rights under the Documents. Any amount payable to the Indemnified Parties under this Section shall (a) be deemed a demand obligation, (b) be part of the Obligations, (c) bear interest from the date of demand at the Default Rate, until paid if not paid on demand, and (d) be secured by this Instrument.

**Section 8.07** Recourse Obligation and Survival. Notwithstanding anything to the contrary in the Documents and in addition to the recourse obligations in the Note, the obligations of Borrower under Sections 8.03, 8.04, 8.05, and 8.06 shall be a full recourse obligation of Borrower, shall not be subject to any limitation on personal liability in the Documents, and shall survive (a) repayment of the Obligations, (b) any termination, satisfaction, transfer of title by power of sale, assignment or foreclosure of this Instrument, (c) the acceptance by Lender (or any nominee) of a deed in lieu of foreclosure, (d) a plan of reorganization filed under the Bankruptcy Code, or (e) the exercise by the Lender of any rights in the Documents. Borrower's obligations under Article VIII shall not be affected by the absence or unavailability of insurance covering the same or by the failure or refusal by any insurance carrier to perform any obligation under any applicable insurance policy.

#### ARTICLE IX - ADDITIONAL PROVISIONS

**Section 9.01** Usury Savings Clause. All agreements in the Documents are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid under the Documents for the use, forbearance, or detention of money exceed the highest lawful rate permitted by Laws. If, at the time of performance, fulfillment of any provision of the Documents shall involve transcending the limit of validity prescribed by Laws, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity. If Lender shall ever receive as interest an amount which would exceed the highest lawful rate, the receipt of such excess shall be deemed a mistake and (a) shall be canceled automatically or (b) if paid, such excess shall be (i) credited against the principal amount of the Obligations to the extent permitted by Laws or (ii) rebated to Borrower if it cannot be so credited under Laws. Furthermore, all sums paid or agreed to be paid under the Documents for the use, forbearance, or detention of money shall to the extent permitted by Laws be amortized, prorated, allocated, and spread throughout the full stated term of the Note until payment in full so that the rate or amount of interest on account of the Obligations does not exceed the maximum lawful rate of interest from time to time in effect and applicable to the Obligations for so long as the Obligations are outstanding.

**Section 9.02** Notices. Any notice, request, demand, consent, approval, direction, agreement, or other communication (any "notice") required or permitted under the Documents shall be in writing and shall be validly given if sent by a nationally-recognized courier that obtains receipts, delivered personally by a courier that obtains receipts, or mailed by United States certified mail (with return receipt requested and postage prepaid) addressed to the applicable person as follows:

If to Borrower:  
Mack-Cali Realty, L.P.  
c/o Mack-Cali Realty Corporation  
343 Thornall Street  
Edison, New Jersey 08837  
Attention: Mitchell E. Hersh

And To:  
Mack-Cali Realty, L.P.  
c/o Mack-Cali Realty Corporation  
343 Thornall Street  
Edison, New Jersey 08837  
Attention: Barry Lefkowitz

If to Lender:  
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA and VPCM, LLC  
c/o Prudential Asset Resources, Inc.  
2100 Ross Avenue, Suite 2500  
Dallas, Texas 75201  
Attention: Asset Management Department; Reference Loan No. 706 108 236 and  
706 108 266

With a copy of notices sent to Borrower to:  
General Counsel  
Mack-Cali Realty Corporation  
343 Thornall St.  
Edison, New Jersey 08837  
Attention: Roger W. Thomas

With a copy of notices sent to Lender to:  
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA  
c/o Prudential Asset Resources, Inc.  
2100 Ross Avenue, Suite 2500  
Dallas, Texas 75201  
Attention: Legal Department; Reference Loan No. 706 108 236 and 706 108 266

Each notice shall be effective upon being so sent, delivered, or mailed, but the time period for response or action shall run from the date of receipt as shown on the delivery receipt. Refusal to accept delivery or the inability to deliver because of a changed address for which no notice was given shall be deemed receipt. Any party may periodically change its address for notice and specify up to two (2) additional addresses for copies by giving the other party at least ten (10) days' prior notice.

**Section 9.03** Sole Discretion of Lender. Except as otherwise expressly stated, whenever Lender's judgment, consent, or approval is required or Lender shall have an option or election under the Documents, such judgment, the decision as to whether or not to consent to or approve the same, or the exercise of such option or election shall be in the sole and absolute discretion of Lender.

**Section 9.04** Applicable Law and Submission to Jurisdiction. The Documents shall be governed by and construed in accordance with the laws of the Property State and the applicable laws of the United States of America. Without limiting Lender's right to bring any action or proceeding against Borrower or the Property relating to the Obligations (an "Action") in the courts of other jurisdictions, Borrower irrevocably (a) submits to the jurisdiction of any state or federal court in the Property State, (b) agrees that any Action may be heard and determined in such court, and (c) waives, to the fullest extent permitted by Laws, the defense of an inconvenient forum to the maintenance of any Action in such jurisdiction.

**Section 9.05** Construction of Provisions. The following rules of construction shall apply for all purposes of this Instrument unless the context otherwise requires: (a) all references to numbered Articles or Sections or to lettered Exhibits are references to the Articles and Sections hereof and the Exhibits annexed to this Instrument and such Exhibits are incorporated into this Instrument as if fully set forth in the body of this Instrument; (b) all Article, Section, and Exhibit captions are used for convenience and reference only and in no way define, limit, or in any way affect this Instrument; (c) words of masculine, feminine, or neuter gender shall mean and include the correlative words of the other genders, and words importing the singular number shall mean and include the plural number, and vice versa; (d) no inference in favor of or against any party shall be drawn from the fact that such party has drafted any portion of this Instrument; (e) all obligations of Borrower hereunder shall be performed and satisfied by or on behalf of Borrower at Borrower's sole expense; (f) the terms "include," "including," and similar terms shall be construed as if followed by the phrase "without being limited to"; (g) the terms "Property," "Land," "Improvements," and "Personal Property" shall be construed as if followed by the phrase "or any part thereof"; (h) the term "Obligations" shall be construed as if followed by the phrase "or any other sums secured hereby, or any part thereof"; (i) the term "person" shall include natural persons, firms, partnerships, limited liability companies, trusts, corporations, governmental authorities or agencies, and any other public or private legal entities; (j) the term "provisions," when used with respect hereto or to any other document or instrument, shall be construed as if preceded by the phrase "terms, covenants, agreements, requirements, and/or conditions"; (k) the term "lease" shall mean "tenancy, subtenancy, lease, sublease, or rental agreement," the term "lessor" shall mean "landlord, sublandlord, lessor, and sublessor," and the term "Tenants" or "lessee" shall mean "tenant, subtenant, lessee, and sublessee"; (l) the term "owned" shall mean "now owned or later acquired"; (m) the terms "any" and "all" shall mean "any or all"; and (n) the term "on demand" or "upon demand" shall mean "within five (5) business days after written notice".

**Section 9.06**

Transfer of Loan.

(a) Lender may, at any time, (i) sell, transfer or assign the Documents and any servicing rights with respect thereto or (ii) grant participations therein or issue mortgage pass-through certificates or other securities evidencing a beneficial interest in a rated or unrated public offering or private placement (collectively, the “**Securities**”). Lender may forward to any purchaser, transferee, assignee, servicer, participant, or investor in such Securities (collectively, “**Investors**”), to any Rating Agency (defined below) rating such Securities and to any prospective Investor, all documents and information which Lender now has or may later acquire relating to the Obligations, Borrower, any guarantor, any indemnitor(s), the Leases and the Property, whether furnished by Borrower, any guarantor, any indemnitor(s) or otherwise, as Lender determines advisable, provided that such parties shall be subject to any Confidentiality Agreement then in effect between Lender and Borrower or Guarantor with respect to this Loan, if any. Borrower, any guarantor and any indemnitor agree to cooperate with Lender in connection with any transfer made or any Securities created pursuant to this Section including the delivery of an estoppel certificate in accordance with Section 3.16 and such other documents as may be reasonably requested by Lender. Borrower shall also furnish consent of any borrower, any guarantor and any indemnitor in order to permit Lender to furnish such Investors or such prospective Investors or such Rating Agency with any and all information concerning the Property, the Leases, the financial condition of Borrower, any guarantor and any indemnitor, as may be reasonably requested by Lender, any Investor, any prospective Investor or any Rating Agency and which may be complied with without undue expense, provided that such parties shall be subject to any Confidentiality Agreement that is entered into by Lender with any such borrower, guarantor or indemnitor that is specific to this Loan. “Rating Agency” shall mean any one or more credit rating agencies approved by Lender.

(b) Borrower agrees that upon any assignment or transfer of the Documents by Lender to any third party, Lender shall have no obligations or liabilities under the Documents, such third party shall be substituted as the lender under the Documents for all purposes and Borrower shall look solely to such third party for the performance of any obligations under the Documents or with respect to the Loan.

**Section 9.07** Miscellaneous. If any provision of the Documents shall be held to be invalid, illegal, or unenforceable in any respect, this shall not affect any other provisions of the Documents and such provision shall be limited and construed as if it were not in the Documents. If title to the Property becomes vested in any person other than Borrower, Lender may, without notice to Borrower, deal with such person regarding the Documents or the Obligations in the same manner as with Borrower without in any way vitiating or discharging Borrower's liability under the Documents or being deemed to have consented to the vesting. If both the lessor's and lessee's interest under any Lease ever becomes vested in any one person, this Instrument and the lien and security interest created hereby shall not be destroyed or terminated by the application of the doctrine of merger and Lender shall continue to have and enjoy all its rights and privileges as to each separate estate. Upon foreclosure (or transfer of title by power of sale) of this Instrument, none of the Leases shall be destroyed or terminated as a result of such foreclosure (or sale), by application of the doctrine of merger or as a matter of law, unless Lender takes all actions required by law to terminate the Leases as a result of foreclosure (or sale). All of Borrower's covenants and agreements under the Documents shall run with the land and time is of the essence. Borrower appoints Lender as its attorney-in-fact, which appointment is irrevocable and shall be deemed to be coupled with an interest, with respect to the execution, acknowledgment, delivery, filing or recording for and in the name of Borrower of any of the documents listed in Sections 3.04, 3.19, 4.01 and 6.02. The Documents cannot be amended, terminated, or discharged except in a writing signed by the party against whom enforcement is sought. No waiver, release, or other forbearance by Lender will be effective unless it is in a writing signed by Lender and then only to the extent expressly stated. The provisions of the Documents shall be binding upon Borrower and its heirs, devisees, representatives, successors, and assigns including successors in interest to the Property and inure to the benefit of Lender and its heirs, successors, substitutes, and assigns. Where two or more persons have executed the Documents, the obligations of such persons shall be joint and several, except to the extent the context clearly indicates otherwise. The Documents may be executed in any number of counterparts with the same effect as if all parties had executed the same document. All such counterparts shall be construed together and shall constitute one instrument, but in making proof hereof it shall only be necessary to produce one such counterpart. Upon receipt of an affidavit of an officer of Lender as to the loss, theft, destruction or mutilation of any Document which is not of public record, and, in the case of any mutilation, upon surrender and cancellation of the Document, Borrower will issue, in lieu thereof, a replacement Document, dated the date of the lost, stolen, destroyed or mutilated Document containing the same provisions. Any reviews, inspections, reports, approvals or similar items conducted, made or produced by or on behalf of Lender with respect to Borrower, the Property or the Loan are for loan underwriting and servicing purposes only, and shall not constitute an acknowledgment, representation or warranty of the accuracy thereof, or an assumption of liability with respect to Borrower, Borrower's contractors, architects, engineers, employees, agents or invitees, present or future tenants, occupants or owners of the Property, or any other party.

**Section 9.08** Entire Agreement. Except as provided in Section 3.17, (a) the Documents constitute the entire understanding and agreement between Borrower and Lender with respect to the Loan and supersede all prior written or oral understandings and agreements with respect to the Loan including the Loan application and Loan commitment and (b) Borrower is not relying on any representations or warranties of Lender except as expressly set forth in the Documents.

**SECTION 9.09** WAIVER OF TRIAL BY JURY. EACH OF BORROWER AND LENDER HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM FILED BY EITHER PARTY, WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THE LOAN, THE DOCUMENTS, OR ANY ALLEGED ACTS OR OMISSIONS OF LENDER OR BORROWER IN CONNECTION THEREWITH.

## ARTICLE X - LOCAL LAW PROVISIONS

**Section 10.01** Inconsistencies. In the event of any inconsistencies between the terms and conditions of this Article X and any other terms of this Instrument the terms and conditions of this Article X shall control and be binding.

**Section 10.02** Environmental Law. The following is hereby added to Section 3.12(a) immediately after the words “within the meaning of any Environmental Law”:

“including, without limitation, any substance that is a “hazardous substance” or “hazardous waste” under the New Jersey Spill Compensation and Control Act, the New Jersey Industrial Site Recovery Act or the New Jersey Solid Waste Management Act of N.J.A.C. 7:26C-1.3.”

**Section 10.03** Representations and Warranties. The following is hereby added as Section 3.12(d):

(d) “New Jersey Spill Act and ISRA. Without limitation of the provisions of Section 3.12, Borrower hereby makes the following additional representations, warranties and covenants:

A. Representations and Warranties.

(i) To the best of Borrower's knowledge, after due inquiry and investigation, consisting of the Environmental Report, except as disclosed in the Environmental Report, the Property has not been used to refine, produce, store, handle, transfer, process, transport, generate, manufacture, treat or dispose of “**Hazardous Substances**”, as such term is defined in N.J.S.A. 58:10-23.11b(k) (and references to the term Hazardous Substance in this Subsection (d)(A)(i) shall have the meanings set forth therein), in violation of Environmental Laws and Borrower has not in the past, nor does Borrower intend in the future, to use such real property (including the Property) for the purpose of refining, producing, storing, handling, transferring, processing, transporting, generating, manufacturing, treating or disposing of any such Hazardous Substances in violation of Environmental Laws. In addition, none of the other real property owned and/or occupied by Borrower and located in the State of New Jersey has been so used as described in the preceding sentence in any manner that could have a Material Adverse Effect on Borrower, or, to the extent that any such property is so used, such use is conducted by Borrower in material good faith compliance with all Environmental Laws; as used in this Section 3.12(d), the term “Material Adverse Effect” means, with respect to any Person, a material adverse effect on the ability of Borrower to perform its obligations hereunder. Notwithstanding anything herein to the contrary, customary quantities of any routine office, cleaning, janitorial supplies, maintenance and other materials and supplies used stored or handled in the ordinary course of Borrower's business or the business of its Tenants shall not be deemed a Hazardous Substance or Hazardous Waste for purposes of this subsection 3.12(d)(A)(i), subsection 3.12(d)(A)(v) or subsection 3.12(d)(A)(vi).

(ii) Except as disclosed in the Environmental Report, the Property has not, to the best of Borrower's knowledge, after due inquiry and investigation, consisting of the Environmental Report, been used as, or is now being used as, a "**Major Facility**" as defined in N.J.S.A. 58:10-23.11b(1). None of the other real property owned and/or occupied by Borrower and located in the State of New Jersey (including the Property) has, to the best of Borrower's knowledge, been used as, or is now being used as, a "**Major Facility**" as defined in N.J.S.A. 58:10-23.11b(1) in any manner that could have a Material Adverse Effect on Borrower, and, to the extent that any such property is a "Major Facility", such use is conducted by Borrower in material good faith compliance with all Environmental Laws.

(iii) To the best of Borrower's knowledge, after due inquiry and investigation, no lien has been attached to the Property or any revenues or any real or personal property owned by Borrower and located in the State of New Jersey (including the Property) as a result of the chief executive of the New Jersey Spill Compensation Fund expending monies from such fund to pay for "**Damages**", as such term is defined in N.J.S.A. 58:10-23.11(g) and/or "**Cleanup and Removal Costs**", as such term is defined in N.J.S.A. 58:10-23.11b(d), arising from an intentional or unintentional action or omission of Borrower or any previous or present owner, operator or Tenant of the Property, resulting in the Release of Hazardous Substances into the waters of the State of New Jersey or onto the lands of the State of New Jersey, or into waters outside the jurisdiction of the State of New Jersey when damage may result to the lands, waters, fish, shellfish, wildlife, biota, air and other natural resources owned, managed, held in trust or otherwise controlled by and within the jurisdiction of the State of New Jersey; as to the foregoing relating to assets of Borrower other than the Property, such representation is hereby modified to be applicable only in any manner or to any extent that could have a Material Adverse Effect on Borrower.

(iv) Except as disclosed in the Environmental Report, Borrower has not received a summons, citation, directive, letter or other communication, written or oral from the New Jersey Department of Environmental Protection concerning any intentional or unintentional action or omission on Borrower's part resulting in the Release of Hazardous Substances into the waters or onto the lands of the State of New Jersey, or into the waters outside the jurisdiction of the State of New Jersey resulting in damage to the lands, waters, fish, shellfish, wildlife, biota, air and other natural resources owned, managed, held in trust or otherwise controlled by and within the jurisdiction of the State of New Jersey with respect to the Property, and, with respect to the other real property owned and/or occupied by Borrower and located in the State of New Jersey Borrower has not received the items described above in any manner or to any extent that could have a Material Adverse Effect on Borrower.

(v) To the best of Borrower's knowledge, after due inquiry and investigation, consisting of the Environmental Report, except as disclosed in the Environmental Report, the Property has not been used to generate, manufacture, refine, transport, treat, store, handle, dispose of, produce, transfer, or process "Hazardous Substances" or "Hazardous Wastes", as such terms are defined in N.J.A.C. 7:26C-1.3 in violation of Environmental Laws, and Borrower does not intend to use any of its real property (including the Property) for such purposes. In addition, none of the other real property owned and/or occupied by Borrower and located in the State of New Jersey has been so used as described in the preceding sentence in any manner that could have a Material Adverse Effect on Borrower; to the extent that any such property is so used to generate, manufacture, refine, transport, treat, store, handle, dispose of, produce, transfer, or process "Hazardous Substances" or "Hazardous Wastes" as aforesaid, such use is conducted by Borrower in material good faith compliance with all Environmental Laws.

(vi) Except as otherwise disclosed in the Environmental Report, if and to the extent required by applicable law, Borrower has conducted an on-site inspection of the Property, including a geohydrological survey of soil and sub-surface conditions as well as other tests, to determine the presence of "Hazardous Substances" or "Hazardous Wastes", as such terms are defined in N.J.A.C. 7:26C-1.3, and except as disclosed in the Environmental Report, Borrower has not found evidence of the presence of any such "Hazardous Substances" or "Hazardous Wastes" on or in the Property in violation of Environmental Laws.



(vii) Except as disclosed in the Environmental Report, Borrower is not required to comply with the provisions of the New Jersey Industrial Site Recovery Act (N.J.S.A. 13:1K-6 et seq.) with respect to the Property.

B. Covenants. As to the following covenants, should there be any claim of violation hereof by Lender on account of properties of Borrower other than the Property, Lender agrees that there shall be no Event of Default hereunder so long as Borrower, at no expense to Lender, diligently contests in all reasonable respects any enforcement action with respect to the following items as permitted by law, and provided that Borrower demonstrates to Lender's reasonable satisfaction that any adverse determination shall not have a Material Adverse Effect on Borrower:

(i) Borrower shall not cause or permit to exist, as a result of an intentional or unintentional action or omission on its part, a Release of a Hazardous Substance into waters of the State of New Jersey, or into waters outside the jurisdiction of the State of New Jersey when damage may result to the lands, waters, fish, shellfish, wildlife, biota, air and other natural resources owned, managed, held in trust or otherwise controlled by and within the jurisdiction of the State of New Jersey, unless such Release is pursuant to and in compliance with the conditions of a permit issued by the appropriate federal or state governmental authorities.

(ii) The Property will not be used as a Major Facility after completion of any construction, renovation, restoration and other developmental work that Borrower may undertake thereon. If Borrower shall own or operate any real property located in the State of New Jersey that is used as a Major Facility, Borrower shall duly file or cause to be duly filed with the Director of the Division of Taxation in the New Jersey Department of the Treasury, a tax report or return and shall pay or make provision for the payment of all taxes due therewith, all in accordance with and pursuant to N.J.S.A. 58:10-23.11h.

(iii) In the event that there shall be filed a lien against the Property by the New Jersey Department of Environmental Protection, pursuant to and in accordance with the provision of N.J.S.A. 58:10-23.11f(f), as a result of the chief executive of the New Jersey Spill Compensation Fund having expended monies from such fund to pay for Damages and/or Cleanup and Removal Costs arising from an intentional or unintentional action or omission of Borrower resulting in the Release of Hazardous Substances into the waters of the State of New Jersey or onto lands from which it might flow or drain into such waters, then Borrower shall, within thirty (30) days from the date that Borrower is given notice that the lien has been placed against the Property, or within such shorter period of time in the event that the State of New Jersey has commenced steps to cause the Property to be sold pursuant to the lien, either (A) pay the claim and remove the lien from the Property, or (B) furnish (1) a bond satisfactory to Lender in the amount of the claim out of which the lien arises, (2) a cash deposit in the amount of the claim out of which the lien arises, or (3) other security satisfactory to Lender in an amount sufficient to discharge the claim out of which the lien arises.

(iv) Should Borrower cause or permit any intentional or unintentional action or omission resulting in the Release of Hazardous Substances into the waters or onto the lands of the State of New Jersey, or into the waters outside the jurisdiction of the State of New Jersey resulting in damage to the lands, waters, fish, shellfish, wildlife, biota, air or other natural resources owned, managed or held in trust or otherwise controlled by and within the jurisdiction of the State of New Jersey, without having obtained a permit issued by the appropriate governmental authorities, Borrower shall promptly clean up such Release in accordance with the provisions of the New Jersey Spill Compensation and Control Act and all other applicable laws.

(v) To the extent Borrower is required, as owner of the Property, to comply with ISRA at any time, Borrower shall comply fully with ISRA. To the extent that a landlord is required to comply with ISRA by reason of "closure of operations" of a tenant, Borrower shall comply fully with ISRA upon the closure of operations by any tenant at the Property."

**Section 10.04** Copy of Mortgage. Borrower represents and warrants that it has received a true copy of this Instrument without charge.

**Section 10.05** Loan Subject to Modification. This Instrument is subject to "modification" as such term is defined in N.J.S.A. 46:9-8.1 *et seq.* and shall be subject to the priority provisions thereof.

IN WITNESS WHEREOF, the undersigned have executed this Instrument as of the day first set forth above.

**BORROWER:**

**MACK-CALI REALTY, L.P.**, a Delaware limited partnership

By: MACK-CALI REALTY CORPORATION, a Maryland corporation, General Partner

By: \_\_\_\_\_

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer





FORM OF AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE

January 15, 2010

\$ \_\_\_\_\_

Loan No. \_\_\_\_\_

THIS AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE is made by MACK-CALI REALTY, L.P., a Delaware limited partnership ("Borrower") to the order of THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey corporation ("Lender", which shall also mean successors and assigns who become holders of this Note).

WITNESSETH:

WHEREAS, Borrower is the maker of, or has assumed the obligations of the maker of, that certain Amended and Restated Promissory Note dated as of November 12, 2004 in the original principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_) and payable to the order of Lender, and of that \_\_\_\_\_ (\$ \_\_\_\_\_) and payable to the order of Lender (collectively, the "Existing Note"; the loan evidenced by the Existing Note is herein referred to as the "Existing Loan");

WHEREAS, the Existing Loan was made pursuant to that certain Amended and Restated Loan Agreement dated as of November 12, 2004 (the "Existing Loan Agreement") by and among, inter alia, Lender and Borrower relating to seven (7) cross-collateralized and cross-defaulted loans in the aggregate principal amount of \$150,000,000.00; and

WHEREAS, as of the date hereof, The Prudential Insurance Company of America, a New Jersey corporation ("Prudential"), has assigned to VPCM, LLC, a Virginia limited liability company ("VPCM"), an undivided interest in and to the Existing Loan and Existing Note and the other documents that further evidence or secure the indebtedness evidenced thereby, so that Prudential and VPCM shall be co-lenders with respect to such indebtedness; and

WHEREAS, Borrower and Lender have agreed, pursuant to that certain Amended and Restated Loan Agreement dated of even date herewith (the "Loan Agreement") by and among, inter alia, Lender, VPCM, and Borrower relating to seven (7) cross-collateralized and cross-defaulted loans in the aggregate principal amount of \$150,000,000.00 (individually, a "Crossed Loan", and collectively, the "Crossed Loans"), each of which Crossed Loans consists of a loan made by Prudential and a loan made by VPCM as co-lenders with respect to such indebtedness, which amount includes the Loan (as hereinafter defined) evidenced by this Note, to refinance the seven (7) cross-collateralized and cross-defaulted loans referenced in the Existing Loan Agreement, to amend and restate the terms thereof, and to re-allocate the loan amounts among the seven (7) Crossed Loans representing additional advances to certain borrowers under the Loan Agreement and corresponding reductions of loan amounts to other borrowers under the Loan Agreement; and

WHEREAS, Borrower and Lender have agreed in the manner hereinafter set forth to divide the Existing Note and Existing Loan into two notes and loans, one in the amount of and evidenced by this Note and one in the amount of \$ \_\_\_\_\_ evidenced by that certain Amended, Restated and Consolidated Promissory Note (the "Companion Note") in favor of VPCM from Borrower in such amount and secured by the Instrument (as hereinafter defined), and to reduce the amount of the indebtedness to Borrower by the principal amount of \$ \_\_\_\_\_ under the loan now evidenced by this Note and under the loan now evidenced by the Companion Note in the amount of \$\$ \_\_\_\_\_, which amount reflects a reallocation of the loan amounts from the Existing Loan to Borrower to certain of the other six (6) Crossed Loans governed by the Existing Loan Agreement and represents a repayment by Borrower to effect such reduction, and (i) to amend the Note Rate on the Existing Note and Existing Loan, and on the Companion Note and the loan evidenced thereby, to six and twenty five hundredths percent (6.25%) per annum, (ii) to extend the maturity date of the Loan evidenced by the Existing Note, and of the loan evidenced by the Companion Note, to January 15, 2017, and (iii) to modify certain other terms and provisions of the Existing Note by amending and restating the terms thereof into this new Amended, Restated and Consolidated Promissory Note in the principal sum of \_\_\_\_\_ (\$ \_\_\_\_\_) (the "Loan") with a corresponding amendment and restatement evidenced by the Companion Note; and

\_\_\_\_\_

**NOW, THEREFORE**, in consideration of the foregoing recitals, which are incorporated into the operative provisions of this Note by this reference, and for other good and valuable consideration, the receipt and adequacy of which are hereby conclusively acknowledged, Borrower hereby covenants and agrees with Lender as follows:

**A. Outstanding Indebtedness.** The aggregate outstanding indebtedness evidenced by the Existing Note as so adjusted, if applicable, as set forth above, is \_\_\_\_\_ (\$ \_\_\_\_\_), it being understood that no interest under the Existing Note is accrued and unpaid for the period prior to the date hereof, but that interest shall accrue from and after the date hereof at the rate or rates herein provided; and the aggregate outstanding indebtedness evidenced by the portion of the Existing Note amended and restated hereby is \_\_\_\_\_ (\$ \_\_\_\_\_), it being understood that the remaining portion of the aggregate outstanding indebtedness evidenced by the Existing Note as so adjusted, if applicable, as set forth above, is amended and restated by the Companion Note in the amount of \$ \_\_\_\_\_.

**B. Amendment and Restatement of Existing Note.** All of the terms, covenants and provisions of the Existing Note are hereby modified, amended and restated herein and in the Companion Note so that henceforth such terms, covenants and provisions shall be those set forth in this Amended, Restated and Consolidated Promissory Note and the Companion Note, and the Existing Note, as so modified, amended and restated in their entirety, are hereby ratified and confirmed in all respects by Borrower.

**C. Borrower's Promise to Pay. FOR VALUE RECEIVED**, Borrower promises to pay to the order of Lender, at c/o Prudential Asset Resources, Inc., 2100 Ross Avenue, Suite 2500, Dallas, Texas 75201, Attention: Asset Management Department; Reference Loan No. \_\_\_\_\_ and \_\_\_\_\_, the principal sum of \_\_\_\_\_ (\$ \_\_\_\_\_), with interest on the unpaid balance ("**Balance**") at the rate of six and twenty five hundredths percent (6.25%) per annum ("**Note Rate**") from and including the date hereof ("**Funding Date**") until and including Maturity (defined below). Capitalized terms used without definition shall have the meanings ascribed to them in the Instrument (defined below).

1. Regular Payments. Principal and interest shall be payable as follows:

(a) Interest only shall be paid in arrears in thirty (30) monthly installments of \_\_\_\_\_ (\$ \_\_\_\_\_) each, commencing on February 15, 2010 and continuing on the fifteenth (15th) day of each succeeding month to and including July 15, 2012. Each payment due date under Paragraphs 1(a) and 1(b) of this Note is referred to as a "**Due Date**".

(b) Principal and interest shall be paid in fifty three (53) monthly installments of \_\_\_\_\_ (\$ \_\_\_\_\_) each commencing on August 15, 2012 and continuing on the fifteenth (15th) day of each succeeding month to and including December 15, 2016.

(c) The entire Obligations (as defined in the Instrument (defined below)) shall be due and payable on January 15, 2017 (**Maturity Date**). “**Maturity**” shall mean the Maturity Date or earlier date that the Obligations may be due and payable by acceleration by Lender as provided in the Documents.

(d) Interest on the Balance for any full month shall be calculated on the basis of a three hundred sixty (360) day year consisting of twelve (12) months of thirty (30) days each. For any partial month, interest shall be due in an amount equal to (i) the Balance multiplied by (ii) the Note Rate divided by (iii) 360 multiplied by (iv) the number of days during such partial month that any Balance is outstanding to (but excluding) the date of payment.

2. Late Payment and Default Interest.

(a) Late Charge. If any scheduled payment due under this Note is not fully paid by its Due Date (other than the principal payment due on the Maturity Date), a charge of \$100.00 per day (the “**Daily Charge**”) shall be assessed for each day that elapses from and after the Due Date until such payment is made in full (including the date payment is made), subject, however, if, as set forth below, Borrower is then entitled to the “Daily Charge Grace Period”, that such failure continues for two (2) days after such Due Date (the “**Daily Charge Grace Period**”); provided, however, that if Borrower receives the benefit of such Daily Charge Grace Period within any twelve (12) month period, Borrower shall have no further right to the Daily Charge Grace Period during that twelve (12) month period; provided, further, however, that if any such payment, together with all accrued Daily Charges, is not fully paid by the fourteenth (14th) day following the applicable Due Date, a late charge equal to the lesser of (i) four percent (4%) of such payment or (ii) the maximum amount allowed by law (the “**Late Charge**”) shall be assessed and shall be immediately due and payable. The Late Charge shall be payable in lieu of Daily Charges that shall have accrued. The Late Charge may be assessed only once on each overdue payment. These charges shall be paid to defray the expenses incurred by Lender in handling and processing such delinquent payment(s) and to compensate Lender for the loss of the use of such funds. The Daily Charge and Late Charge shall be secured by the Documents. The imposition of the Daily Charge, Late Charge, and/or requirement that interest be paid at the Default Rate (defined below) shall not be construed in any way to (i) excuse Borrower from its obligation to make each payment under this Note promptly when due or (ii) preclude Lender from exercising any rights or remedies available under the Documents upon an Event of Default.

(b) Acceleration. Upon any Event of Default, Lender may declare the Balance, unpaid accrued interest, the Prepayment Premium (defined below) and all other Obligations immediately due and payable in full.

(c) Default Rate. Upon an Event of Default or at Maturity, whether by acceleration (due to a voluntary or involuntary default) or otherwise, the entire Obligations (excluding accrued but unpaid interest if prohibited by law) shall bear interest at the Default Rate. The “**Default Rate**” shall be the lesser of (i) the maximum rate allowed by law or (ii) five percent (5%) plus the greater of (A) the Note Rate or (B) the prime rate (for corporate loans at large United States money center commercial banks) published in The Wall Street Journal on the first Business Day (defined below) of the month in which the Event of Default or Maturity occurs and on the first Business Day of every month thereafter. The term “**Business Day**” shall mean each Monday through Friday except for days in which commercial banks are not authorized to open or are required by law to close in New York, New York.

3 . Application of Payments. Until an Event of Default occurs, all payments received under this Note shall be applied in the following order: (a) to unpaid Daily Charges, Late Charges and costs of collection; (b) to any Prepayment Premium due; (c) to interest due on the Balance; and (d) then to the Balance. After an Event of Default, all payments shall be applied in any order determined by Lender in its sole discretion.

4 . Prepayment. This Note may be prepaid on any date, in whole or in part, upon at least thirty (30) days' prior written notice to Lender and upon payment of all accrued interest (and other Obligations due under the Documents) and a prepayment premium ("**Prepayment Premium**") equal to the greater of (a) one percent (1%) of the principal amount being prepaid multiplied by the quotient of the number of full months remaining until the Maturity Date, calculated as of the prepayment date, divided by the number of full months comprising the term of this Note, or (b) the Present Value of the Loan (defined below) less the amount of principal and accrued interest (if any) being prepaid, calculated as of the prepayment date. The Prepayment Premium shall be due and payable, except as provided in the Instrument or as limited by law, upon any prepayment of this Note, whether voluntary or involuntary, and Lender shall not be obligated to accept any prepayment of this Note unless it is accompanied by the Prepayment Premium, all accrued interest and all other Obligations due under the Documents. Lender shall notify Borrower of the amount of and the calculation used to determine the Prepayment Premium. Borrower agrees that (a) Lender shall not be obligated to actually reinvest the amount prepaid in any Treasury obligation and (b) the Prepayment Premium is directly related to the damages that Lender will suffer as a result of the prepayment. The "**Present Value of the Loan**" shall be determined by discounting all scheduled payments remaining to the Maturity Date attributable to the amount being prepaid at the Discount Rate (defined below). If prepayment occurs on a date other than a Due Date, the actual number of days remaining from the date of prepayment to the next Due Date will be used to discount within this period. The "**Discount Rate**" is the rate which, when compounded monthly, is equivalent to the Treasury Rate (defined below), when compounded semi-annually. The "**Treasury Rate**" is the semi-annual yield on the Treasury Constant Maturity Series with maturity equal to the remaining weighted average life of the Loan, for the week prior to the prepayment date, as reported in Federal Reserve Statistical Release H.15 - Selected Interest Rates, conclusively determined by Lender (absent a clear mathematical calculation error) on the prepayment date. The rate will be determined by linear interpolation between the yields reported in Release H.15, if necessary. If Release H.15 is no longer published, Lender shall select a comparable publication to determine the Treasury Rate. Borrower agrees that Lender shall not be obligated actually to reinvest the amount prepaid in any Treasury obligations as a condition precedent to receiving the Prepayment Premium. Notwithstanding the foregoing, no Prepayment Premium shall be due if this Note is prepaid during the last sixty (60) days prior to the Maturity Date.

With respect to the foregoing provisions, Borrower hereby expressly agrees as follows:

(a) The Note Rate provided herein has been determined based on the sum of (i) the Treasury Rate in effect at the time the Note Rate was determined under the Loan application submitted to Lender, plus (ii) an interest rate spread over such Treasury Rate, which together represent Lender's agreed-upon return for making the proceeds of the Loan hereunder available to Borrower over the term of such Loan.

(b) The determination of the Note Rate, and in particular the aforesaid interest rate spread, were based on the expectation and agreement of Borrower and Lender that the principal sums advanced hereunder would not be prepaid during the term of this Note, or if any such prepayment occurs, the Prepayment Premium (calculated in the manner set forth above) would apply (except as expressly permitted by this Note).

(c) The Lender's business involves making financial commitments to others based in part on the returns it expects to receive from this Note and other similar loans made by Lender, and Lender's financial performance as a business depends not only on the returns from each loan or investment it makes but also upon the aggregate amounts of the loans and investments it is able to make over any given period of time.



(d) In the event of a prepayment hereunder, Lender will be required to redeploy the funds received into other loans or investments, which (i) may not provide a return to Lender comparable to the return Lender anticipates based on the Note Rate and (ii) may reduce the total amount of loans or investments Lender is able to make during the term of the Loan, which in turn may impair the profitability of Lender's business. Therefore, in order to compensate Lender for the potential impact and risks to its business of prepayments under this Note, Lender has limited Borrower's right to prepay this Note and has offered the method of calculation of the Prepayment Premium set forth above.

(e) Borrower acknowledges that (i) Lender could have determined that it would not permit any prepayments under the Note during its term, and therefore, in electing to permit prepayments hereunder, Lender is entitled to determine and negotiate the terms on which it will accept prepayments of its loans, and (ii) Borrower could have elected to negotiate more permissive prepayment provisions and/or a more favorable manner of calculating the Prepayment Premium, but in such event the applicable interest rate spread, and therefore the Note Rate, would have been higher to compensate Lender for the potential loss of income on account of the risk that Borrower might elect to prepay this Note at an earlier time and/or for a lesser Prepayment Premium than set forth herein.

Therefore, in consideration of Lender's agreement to the Note Rate set forth herein, and in recognition of Lender's reliance on the prepayment provisions of this Note (including the method of calculating the Prepayment Premium), Borrower agrees that the manner of calculation of the Prepayment Premium set forth in this Note represents bargained-for compensation to Lender for granting to Borrower the privilege of prepaying this Note on the terms set forth herein and for the potential loss of future income to Lender arising from having to redeploy the amounts prepaid under this Note into other loans or investments. As such, the Prepayment Premium constitutes reasonable compensation to Lender for making the Loan on the terms reflected in this Note and does not represent any form of damages (liquidated or otherwise), nor does it represent a penalty.

5 . No Usury. Under no circumstances shall the aggregate amount paid or to be paid as interest under this Note exceed the highest lawful rate permitted under applicable usury law ("**Maximum Rate**"). If under any circumstances the aggregate amounts paid on this Note shall include interest payments which would exceed the Maximum Rate, Borrower stipulates that payment and collection of interest in excess of the Maximum Rate ("**Excess Amount**") shall be deemed the result of a mistake by both Borrower and Lender and Lender shall promptly credit the Excess Amount against the Balance (without Prepayment Premium or other premium) or refund to Borrower any portion of the Excess Amount which cannot be so credited.

6 . Security and Documents Incorporated. This Note is the Note referred to and secured by the Amended, Restated and Consolidated Mortgage and Security Agreement of even date herewith between Borrower, as mortgagor, and Lender and VPCM, as mortgagee, to be recorded in the real estate records of Bergen County, New Jersey (the "**Instrument**") and is secured by the Property. In addition, this Note is secured by all other mortgages, deeds of trust and other collateral described in and referenced in the Loan Agreement. Borrower shall observe and perform all of the terms and conditions in the Documents. The Documents are incorporated into this Note as if fully set forth in this Note.

7 . Treatment of Payments. All payments under this Note shall be made, without offset or deduction, (a) in lawful money of the United States of America at the office of Lender or at such other place (and in the manner) Lender may specify by written notice to Borrower, (b) in immediately available federal funds, and (c) if received by Lender prior to 2:00 p.m. Eastern Time at such place, shall be credited on that day, or, if received by Lender on or after 2:00 p.m. Eastern Time at such place, shall, at Lender's option, be credited on the next Business Day. Initially (unless waived by Lender), and until Lender shall direct Borrower otherwise, Borrower shall make all payments due under this Note in the manner set forth in Section 3.13 of the Instrument, and in the event of full compliance by Borrower thereunder, Borrower shall have no liability for any Late Charges, and it shall not constitute a default or Event of Default hereunder or under any of the other Documents, if Lender fails to initiate payment due through the Automated Clearing House network (or similar electronic process) for settlement on the Due Date in a timely manner. If any Due Date falls on a day which is not a Business Day, then the Due Date shall be deemed to have fallen on the next succeeding Business Day.

8 . Limited Recourse Liability. Except to the extent set forth in Paragraph 8 and Paragraph 9 of this Note, neither Borrower nor any general or limited partner(s) or member(s) of Borrower nor any officers, directors, shareholders, unitholders, general or limited partners, members, employees or agents of Borrower or its general partners or members shall have any personal liability for the Loan or any Obligations. Notwithstanding the preceding sentence, Lender may bring a foreclosure action or other appropriate action to enforce the Documents or realize upon and protect the Property (including, without limitation, naming Borrower and any other necessary parties in the actions) **and IN ADDITION BORROWER, ANY GENERAL PARTNER(S) OF BORROWER, MACK-CALI REALTY CORPORATION AND MACK-CALI REALTY, L.P. (SOMETIMES HEREIN REFERRED TO, SINGULARLY OR COLLECTIVELY, AS THE "RECOURSE PARTIES") SHALL HAVE JOINT AND SEVERAL PERSONAL LIABILITY FOR:**

(a) any amounts accrued and/or payable under any indemnities, guaranties, master leases or similar instruments (which indemnities, guaranties, master leases, and instruments consist, as of Closing, of the following instruments: that certain Environmental and ERISA Indemnity Agreement, that certain Recourse Liabilities Guaranty, and that certain Partial Recourse Guaranty, each dated as of even date herewith, and Sections 8.03, 8.04, 8.05, 8.06 and 8.07 of the Instrument) furnished in connection with the Loan, but excluding indemnities arising solely under Section 8.02 of the Instrument;

(b) subject to Section 4(b) of that certain Cash Management Agreement between Borrower, Lender and VPCM of even date herewith (the "Cash Management Agreement"), the amount of any assessments and taxes (accrued and/or payable prior to the completion by Lender of a foreclosure on the Property or acceptance by Lender of a deed or other conveyance of the Property in lieu of such foreclosure, including the pro-rata share of current real estate taxes) with respect to the Property;

(c) the amount of any security deposits, rents prepaid more than one (1) month in advance, or prepaid expenses of tenants to the extent not turned over to (i) Lender upon foreclosure, sale (pursuant to power of sale), or conveyance in lieu thereof, or (ii) a receiver or trustee for the Property after appointment;

(d) the amount of any insurance proceeds or condemnation awards neither turned over to Lender nor used in compliance with the Documents;

(e) damages suffered or incurred by Lender as a result of Borrower (i) entering into a new Lease, (ii) entering into an amendment or termination of an existing Lease, or (iii) accepting a termination, cancellation or surrender of an existing Lease (other than with respect to a Lease with a Major Tenant which is addressed in Paragraph 9(d) below) in breach of the leasing restrictions set forth in Section 7 of the Assignment; provided, however, that in the case of clauses (ii) and (iii) above, the Recourse Parties liability shall be limited to the greater of:

- (1) the present value (calculated at the Discount Rate) of the aggregate total dollar amount (if any) by which (A) rental income and/or other tenant obligations prior to the amendment or termination of the Lease exceeds (B) rental income and/or other tenant obligations after the amendment or termination of such Lease; and

(2) any amendment or termination fee or other consideration paid by or on behalf of a tenant;

provided, however, that, in such event, such liability shall be limited to the Crossed Loan (or Crossed Loans) applicable to the Individual Property (or Individual Properties) in which the Lease is located;

(f) subject to Section 4(b) of the Cash Management Agreement, damages suffered or incurred by Lender by reason of any waste of the Property;

(g) the amount of any rents or other income from the Property received by any of the Recourse Parties after a default under the Documents and not otherwise applied to the indebtedness under this Note or to the current (not deferred) operating expenses of the Property; PROVIDED, HOWEVER, THAT THE RECOURSE PARTIES SHALL HAVE PERSONAL LIABILITY for amounts paid as expenses to a person or entity related to or affiliated with any of the Recourse Parties except for (A) reasonable salaries for on-site employees, (B) a reasonable allocation of the salaries of off-site employees for accounting and management, and (C) out-of-pocket expenses of Borrower's management company relating to the Property, but in no event shall such expenses include any profit or be greater than prevailing market rates for any such services;

(h) the face amount of any letter of credit required under the Documents or otherwise in connection with the Loan that (i) Borrower fails to maintain or (ii) as to which Borrower fails to replace such letter of credit with, or post in lieu of such letter of credit, a cash deposit paid to Lender and held by Lender as additional collateral under the Documents;

(i) the amount of any security deposit (a "Security Deposit") cashed or applied by Borrower or any termination fee, cancellation fee or any other fee (collectively, a "Lease Termination Fee") received by Borrower (x) in connection with a lease termination, cancellation, surrender or expiration (but Lease Termination Fees shall not include the application of, or surrender of, lease security deposits at the scheduled expiration of the applicable lease in lieu of the payment of the corresponding amount of rentals) within one hundred twenty (120) days prior to or after an Event of Default under the Documents, (y) which is greater than one (1) month's base rent for the Lease to which the Security Deposit and/or Lease Termination Fee applies, and (z) which is not either (A) paid to Lender (or an escrow agent selected by Lender) to be disbursed for the payment of Lender approved (or deemed approved) (1) tenant improvements and/or (2) market leasing commissions, or, (B) if the applicable Lease Termination Fees total less than \$1,000,000 (with respect to all of the Crossed Loans and properties that are the subject of the Loan Agreement) in the aggregate during any such one hundred twenty (120) day period, actually disbursed by Borrower for the payment of the Obligations (any Lease Termination Fees that total more than \$1,000,000 with respect to all of the Crossed Loans and properties that are the subject of the Loan Agreement in the aggregate during any such one hundred twenty (120) day period must, to the extent in excess of such \$1,000,000 aggregate threshold, be paid to Lender for escrow as set forth in clause (A) to avoid recourse liability resulting under this clause (i));

(j) following a default under the Documents, all attorneys' fees, including allocated costs of Lender's staff attorneys, and other expenses incurred by Lender in enforcing the Documents if Borrower contests, delays, or otherwise hinders or opposes (including, without limitation, the filing of a bankruptcy by Borrower or any owners of any equity interests therein) any of Lender's enforcement actions; provided, however, that if in such action Borrower successfully proves that no default occurred under the Documents, Borrower shall not be required to reimburse Lender for such attorneys' fees, allocated costs and other expenses; and

(k) damages suffered or incurred by Lender as a result of Borrower's breach or violation of Sections 2.10 or 3.21 of the Instrument.

(l) the "Recourse Guaranteed Amount", as defined in the Partial Recourse Guaranty of even date herewith from Mack-Cali Realty, L.P. ("Recourse Guarantor"), which recourse liability shall be recourse to Borrower, jointly and severally with Recourse Guarantor, to the same extent that Recourse Guarantor has recourse liability for the Loan (all indebtedness evidenced by the Note and all obligations set forth in the Documents) under the Partial Recourse Guaranty, as Borrower covenants and agrees that the Loan shall be recourse to Borrower, jointly and severally with Recourse Guarantor, to the same extent that Recourse Guarantor has recourse liability for the Loan under the Partial Recourse Guaranty, and that Borrower's recourse under the Documents with respect to such liability under the Partial Recourse Guaranty shall be reduced and/or released at the same time and on the same terms as provided above for Recourse Guarantor; and

(m) if, pursuant to any lease under Section 3.4(c)(iii) of the Loan Agreement, Borrower shall elect not to pay in full all leasing commissions for the initial term of such lease (Borrower being required to pay all commissions when due), to the extent of all leasing commissions for the initial term of such lease that are not paid in full;

(n) Borrower and the Recourse Parties shall, as set forth in Section 8.6 of the Loan Agreement, have recourse liability for any Additional Parking Costs; and

(o) Borrower and the Recourse Parties shall, as set forth in Section 8.7 of the Loan Agreement, have recourse liability for any Tuttle Title Loss.

9 . Full Recourse Liability. Notwithstanding the provisions of Paragraph 8 of this Note, the **RECOURSE PARTIES SHALL HAVE JOINT AND SEVERAL PERSONAL LIABILITY** for all indebtedness evidenced by this Note and all Obligations set forth in the Documents if:

(a) there shall be any breach or violation of Article V of the Instrument; or

(b) there shall be any fraud or material misrepresentation by any of the Recourse Parties in connection with the Property, the Documents, the Loan Application, or any other aspect of the Loan; or

(c) the Property or any part thereof shall become an asset in (i) a voluntary bankruptcy or insolvency proceeding or (ii) an involuntary bankruptcy or insolvency proceeding which is not dismissed within ninety (90) days of filing; provided, however, that this Paragraph 9(c) shall not apply if (A) an involuntary bankruptcy is filed by Lender, or (B) the involuntary filing was initiated by a third-party creditor independent of any collusive action, participation or collusive communication by (1) Borrower, (2) any partner, shareholder or member of Borrower or Borrower's general partner or managing member, or (3) any of the Recourse Parties; or

(d) any of the Recourse Parties (i) enters into a Lease with a Major Tenant, (ii) enters into an amendment or termination of any Lease with a Major Tenant, or (iii) accepts the termination, cancellation or surrender of any Lease with a Major Tenant, in breach of the leasing restrictions set forth in Section 7 of the Assignment; provided, however, that, in such event, such liability shall be limited to the Crossed Loan (or Crossed Loans) applicable to the Individual Property (or Individual Properties) in which the Lease is located, except that in the event that the damages suffered or incurred by Lender as a result of any of the Recourse Parties taking any such action described in clauses (i), (ii) or (iii) above exceeds the amount of such Crossed Loan (or Crossed Loans) applicable to the Individual Property (or Individual Properties) in which the Lease is located, then the Recourse Parties shall have joint and several personal liability for all such damages suffered or incurred by Lender as a result of any of the Recourse Parties taking any such action described in clauses (i), (ii) or (iii) above.

10. Joint and Several Liability. This Note shall be the joint and several obligation of all makers, endorsers, guarantors and sureties, and shall be binding upon them and their respective successors and assigns and shall inure to the benefit of Lender and its successors and assigns.

11. Unconditional Payment. Borrower is and shall be obligated to pay principal, interest and any and all other amounts which became payable hereunder or under the other Documents absolutely and unconditionally and without abatement, postponement, diminution or deduction and without any reduction for counterclaim or setoff. In the event that at any time any payment received by Lender hereunder shall be deemed by a court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under any bankruptcy, insolvency or other debtor relief law, then the obligation to make such payment shall survive any cancellation or satisfaction of this Note or return thereof to Borrower and shall not be discharged or satisfied with any prior payment thereof or cancellation of this Note, but shall remain a valid and binding obligation enforceable in accordance with the terms and provisions hereof, and such payment shall be immediately due and payable upon demand.

12. Certain Waivers. Borrower and all others who may become liable for the payment of all or any part of the Obligations do hereby severally waive presentment and demand for payment, notice of dishonor, protest and notice of protest, notice of non-payment and notice of intent to accelerate the maturity hereof (and of such acceleration). No release of any security for the Obligations or extension of time for payment of this Note or any installment hereof, and no alteration, amendment or waiver of any provision of this Note, the Instrument or the other Documents shall release, modify, amend, waive, extend, change, discharge, terminate or affect the liability of Borrower, and any other who may become liable for the payment of all or any part of the Obligations, under this Note, the Instrument and the other Documents, except to the extent expressly altered, amended or changed thereby.

13. **WAIVER OF TRIAL BY JURY. EACH OF BORROWER AND LENDER HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM FILED BY EITHER PARTY, WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THE LOAN, THE DOCUMENTS, OR ANY ALLEGED ACTS OR OMISSIONS OF LENDER OR BORROWER IN CONNECTION THEREWITH.**

IN WITNESS WHEREOF, this Note has been duly executed by Borrower as of the date first set forth above.

**BORROWER:**

**MACK-CALI REALTY, L.P.**, a Delaware limited partnership

By: MACK-CALI REALTY CORPORATION, a Maryland corporation, General Partner

By: \_\_\_\_\_

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer







FORM OF AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE

\$ \_\_\_\_\_

January 15, 2010

Loan No. \_\_\_\_\_

THIS AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE is made by MACK-CALI REALTY, L.P., a Delaware limited partnership ("Borrower") to the order of VPCM, LLC, a Virginia limited liability company ("Lender", which shall also mean successors and assigns who become holders of this Note).

WITNESSETH:

WHEREAS, Borrower is the maker of, or has assumed the obligations of the maker of, that certain Amended and Restated Promissory Note dated as of November 12, 2004 in the original principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_) and payable to the order of Prudential, and of that certain Supplemental Promissory Note dated as of November 12, 2004 in the original principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_) and payable to the order of Prudential (collectively, the "Existing Note"; the loan evidenced by the Existing Note is herein referred to as the "Existing Loan");

WHEREAS, the Existing Loan was made pursuant to that certain Amended and Restated Loan Agreement dated as of November 12, 2004 (the "Existing Loan Agreement") by and among, inter alia, Prudential and Borrower relating to seven (7) cross-collateralized and cross-defaulted loans in the aggregate principal amount of \$150,000,000.00; and

WHEREAS, as of the date hereof, Prudential has assigned to VPCM, LLC, a Virginia limited liability company ("VPCM"), an undivided interest in and to the Existing Loan and Existing Note and the other documents that further evidence or secure the indebtedness evidenced thereby, so that Prudential and VPCM shall be co-lenders with respect to such indebtedness; and

WHEREAS, Borrower and Lender have agreed, pursuant to that certain Amended and Restated Loan Agreement dated of even date herewith (the "Loan Agreement") by and among, inter alia, Lender, Prudential, and Borrower relating to seven (7) cross-collateralized and cross-defaulted loans in the aggregate principal amount of \$150,000,000.00 (individually, a "Crossed Loan", and collectively, the "Crossed Loans"), each of which Crossed Loans consists of a loan made by Prudential and a loan made by VPCM as co-lenders with respect to such indebtedness, which amount includes the Loan (as hereinafter defined) evidenced by this Note, to refinance the seven (7) cross-collateralized and cross-defaulted loans referenced in the Existing Loan Agreement, to amend and restate the terms thereof, and to re-allocate the loan amounts among the seven (7) Crossed Loans representing additional advances to certain borrowers under the Loan Agreement and corresponding reductions of loan amounts to other borrowers under the Loan Agreement; and

WHEREAS, Borrower and Lender have agreed in the manner hereinafter set forth to divide the Existing Note and Existing Loan into two notes and loans, one in the amount of and evidenced by this Note and one in the amount of \$ \_\_\_\_\_ evidenced by that certain Amended, Restated and Consolidated Promissory Note (the "Companion Note") in favor of Prudential from Borrower in such amount and secured by the Instrument (as hereinafter defined), and to reduce the amount of the indebtedness to Borrower by the principal amount of \$ \_\_\_\_\_ under the loan now evidenced by this Note and under the loan now evidenced by the Companion Note in the amount of \$ \_\_\_\_\_, which amount reflects a reallocation of the loan amounts from the Existing Loan to Borrower to certain of the other six (6) Crossed Loans governed by the Existing Loan Agreement and represents a repayment by Borrower to effect such reduction, and (i) to amend the Note Rate on the Existing Note and Existing Loan, and on the Companion Note and the loan evidenced thereby, to six and twenty five hundredths percent (6.25%) per annum, (ii) to extend the maturity date of the Loan evidenced by the Existing Note, and of the loan evidenced by the Companion Note, to January 15, 2017, and (iii) to modify certain other terms and provisions of the Existing Note by amending and restating the terms thereof into this new Amended, Restated and Consolidated Promissory Note in the principal sum of \_\_\_\_\_ (\$ \_\_\_\_\_) (the "Loan") with a corresponding amendment and restatement evidenced by the Companion Note; and



**NOW, THEREFORE**, in consideration of the foregoing recitals, which are incorporated into the operative provisions of this Note by this reference, and for other good and valuable consideration, the receipt and adequacy of which are hereby conclusively acknowledged, Borrower hereby covenants and agrees with Lender as follows:

**A. Outstanding Indebtedness.** The aggregate outstanding indebtedness evidenced by the Existing Note as so adjusted, if applicable, as set forth above, is \_\_\_\_\_ (\$ \_\_\_\_\_), it being understood that no interest under the Existing Note is accrued and unpaid for the period prior to the date hereof, but that interest shall accrue from and after the date hereof at the rate or rates herein provided; and the aggregate outstanding indebtedness evidenced by the portion of the Existing Note amended and restated hereby is \_\_\_\_\_ (\$ \_\_\_\_\_), it being understood that the remaining portion of the aggregate outstanding indebtedness evidenced by the Existing Note as so adjusted, if applicable, as set forth above, is amended and restated by the Companion Note in the amount of \$ \_\_\_\_\_.

**B. Amendment and Restatement of Existing Note.** All of the terms, covenants and provisions of the Existing Note are hereby modified, amended and restated herein and in the Companion Note so that henceforth such terms, covenants and provisions shall be those set forth in this Amended, Restated and Consolidated Promissory Note and the Companion Note, and the Existing Note, as so modified, amended and restated in their entirety, are hereby ratified and confirmed in all respects by Borrower.

**C. Borrower's Promise to Pay. FOR VALUE RECEIVED**, Borrower promises to pay to the order of Lender, at c/o Prudential Asset Resources, Inc., 2100 Ross Avenue, Suite 2500, Dallas, Texas 75201, Attention: Asset Management Department; Reference Loan No. \_\_\_\_\_ and \_\_\_\_\_, the principal sum of \_\_\_\_\_ (\$ \_\_\_\_\_), with interest on the unpaid balance ("**Balance**") at the rate of six and twenty five hundredths percent (6.25%) per annum ("**Note Rate**") from and including the date hereof ("**Funding Date**") until and including Maturity (defined below). Capitalized terms used without definition shall have the meanings ascribed to them in the Instrument (defined below).

1. **Regular Payments.** Principal and interest shall be payable as follows:

(a) Interest only shall be paid in arrears in thirty (30) monthly installments of \_\_\_\_\_ (\$ \_\_\_\_\_) each, commencing on February 15, 2010 and continuing on the fifteenth (15th) day of each succeeding month to and including July 15, 2012. Each payment due date under Paragraphs 1(a) and 1(b) of this Note is referred to as a "**Due Date**".

(b) Principal and interest shall be paid in fifty three (53) monthly installments of \_\_\_\_\_ (\$ \_\_\_\_\_) each commencing on August 15, 2012 and continuing on the fifteenth (15th) day of each succeeding month to and including December 15, 2016.

(c) The entire Obligations (as defined in the Instrument (defined below)) shall be due and payable on January 15, 2017 (**Maturity Date**). “**Maturity**” shall mean the Maturity Date or earlier date that the Obligations may be due and payable by acceleration by Lender as provided in the Documents.

(d) Interest on the Balance for any full month shall be calculated on the basis of a three hundred sixty (360) day year consisting of twelve (12) months of thirty (30) days each. For any partial month, interest shall be due in an amount equal to (i) the Balance multiplied by (ii) the Note Rate divided by (iii) 360 multiplied by (iv) the number of days during such partial month that any Balance is outstanding to (but excluding) the date of payment.

2. Late Payment and Default Interest.

(a) Late Charge. If any scheduled payment due under this Note is not fully paid by its Due Date (other than the principal payment due on the Maturity Date), a charge of \$100.00 per day (the “**Daily Charge**”) shall be assessed for each day that elapses from and after the Due Date until such payment is made in full (including the date payment is made), subject, however, if, as set forth below, Borrower is then entitled to the “Daily Charge Grace Period”, that such failure continues for two (2) days after such Due Date (the “**Daily Charge Grace Period**”); provided, however, that if Borrower receives the benefit of such Daily Charge Grace Period within any twelve (12) month period, Borrower shall have no further right to the Daily Charge Grace Period during that twelve (12) month period; provided, further, however, that if any such payment, together with all accrued Daily Charges, is not fully paid by the fourteenth (14th) day following the applicable Due Date, a late charge equal to the lesser of (i) four percent (4%) of such payment or (ii) the maximum amount allowed by law (the “**Late Charge**”) shall be assessed and shall be immediately due and payable. The Late Charge shall be payable in lieu of Daily Charges that shall have accrued. The Late Charge may be assessed only once on each overdue payment. These charges shall be paid to defray the expenses incurred by Lender in handling and processing such delinquent payment(s) and to compensate Lender for the loss of the use of such funds. The Daily Charge and Late Charge shall be secured by the Documents. The imposition of the Daily Charge, Late Charge, and/or requirement that interest be paid at the Default Rate (defined below) shall not be construed in any way to (i) excuse Borrower from its obligation to make each payment under this Note promptly when due or (ii) preclude Lender from exercising any rights or remedies available under the Documents upon an Event of Default.

(b) Acceleration. Upon any Event of Default, Lender may declare the Balance, unpaid accrued interest, the Prepayment Premium (defined below) and all other Obligations immediately due and payable in full.

(c) Default Rate. Upon an Event of Default or at Maturity, whether by acceleration (due to a voluntary or involuntary default) or otherwise, the entire Obligations (excluding accrued but unpaid interest if prohibited by law) shall bear interest at the Default Rate. The “**Default Rate**” shall be the lesser of (i) the maximum rate allowed by law or (ii) five percent (5%) plus the greater of (A) the Note Rate or (B) the prime rate (for corporate loans at large United States money center commercial banks) published in The Wall Street Journal on the first Business Day (defined below) of the month in which the Event of Default or Maturity occurs and on the first Business Day of every month thereafter. The term “**Business Day**” shall mean each Monday through Friday except for days in which commercial banks are not authorized to open or are required by law to close in New York, New York.

3 . Application of Payments. Until an Event of Default occurs, all payments received under this Note shall be applied in the following order: (a) to unpaid Daily Charges, Late Charges and costs of collection; (b) to any Prepayment Premium due; (c) to interest due on the Balance; and (d) then to the Balance. After an Event of Default, all payments shall be applied in any order determined by Lender in its sole discretion.

4 . Prepayment. This Note may be prepaid on any date, in whole or in part, upon at least thirty (30) days' prior written notice to Lender and upon payment of all accrued interest (and other Obligations due under the Documents) and a prepayment premium ("**Prepayment Premium**") equal to the greater of (a) one percent (1%) of the principal amount being prepaid multiplied by the quotient of the number of full months remaining until the Maturity Date, calculated as of the prepayment date, divided by the number of full months comprising the term of this Note, or (b) the Present Value of the Loan (defined below) less the amount of principal and accrued interest (if any) being prepaid, calculated as of the prepayment date. The Prepayment Premium shall be due and payable, except as provided in the Instrument or as limited by law, upon any prepayment of this Note, whether voluntary or involuntary, and Lender shall not be obligated to accept any prepayment of this Note unless it is accompanied by the Prepayment Premium, all accrued interest and all other Obligations due under the Documents. Lender shall notify Borrower of the amount of and the calculation used to determine the Prepayment Premium. Borrower agrees that (a) Lender shall not be obligated to actually reinvest the amount prepaid in any Treasury obligation and (b) the Prepayment Premium is directly related to the damages that Lender will suffer as a result of the prepayment. The "**Present Value of the Loan**" shall be determined by discounting all scheduled payments remaining to the Maturity Date attributable to the amount being prepaid at the Discount Rate (defined below). If prepayment occurs on a date other than a Due Date, the actual number of days remaining from the date of prepayment to the next Due Date will be used to discount within this period. The "**Discount Rate**" is the rate which, when compounded monthly, is equivalent to the Treasury Rate (defined below), when compounded semi-annually. The "**Treasury Rate**" is the semi-annual yield on the Treasury Constant Maturity Series with maturity equal to the remaining weighted average life of the Loan, for the week prior to the prepayment date, as reported in Federal Reserve Statistical Release H.15 - Selected Interest Rates, conclusively determined by Lender (absent a clear mathematical calculation error) on the prepayment date. The rate will be determined by linear interpolation between the yields reported in Release H.15, if necessary. If Release H.15 is no longer published, Lender shall select a comparable publication to determine the Treasury Rate. Borrower agrees that Lender shall not be obligated actually to reinvest the amount prepaid in any Treasury obligations as a condition precedent to receiving the Prepayment Premium. Notwithstanding the foregoing, no Prepayment Premium shall be due if this Note is prepaid during the last sixty (60) days prior to the Maturity Date.

With respect to the foregoing provisions, Borrower hereby expressly agrees as follows:

(a) The Note Rate provided herein has been determined based on the sum of (i) the Treasury Rate in effect at the time the Note Rate was determined under the Loan application submitted to Lender, plus (ii) an interest rate spread over such Treasury Rate, which together represent Lender's agreed-upon return for making the proceeds of the Loan hereunder available to Borrower over the term of such Loan.

(b) The determination of the Note Rate, and in particular the aforesaid interest rate spread, were based on the expectation and agreement of Borrower and Lender that the principal sums advanced hereunder would not be prepaid during the term of this Note, or if any such prepayment occurs, the Prepayment Premium (calculated in the manner set forth above) would apply (except as expressly permitted by this Note).

(c) The Lender's business involves making financial commitments to others based in part on the returns it expects to receive from this Note and other similar loans made by Lender, and Lender's financial performance as a business depends not only on the returns from each loan or investment it makes but also upon the aggregate amounts of the loans and investments it is able to make over any given period of time.

(d) In the event of a prepayment hereunder, Lender will be required to redeploy the funds received into other loans or investments, which (i) may not provide a return to Lender comparable to the return Lender anticipates based on the Note Rate and (ii) may reduce the total amount of loans or investments Lender is able to make during the term of the Loan, which in turn may impair the profitability of Lender's business. Therefore, in order to compensate Lender for the potential impact and risks to its business of prepayments under this Note, Lender has limited Borrower's right to prepay this Note and has offered the method of calculation of the Prepayment Premium set forth above.

(e) Borrower acknowledges that (i) Lender could have determined that it would not permit any prepayments under the Note during its term, and therefore, in electing to permit prepayments hereunder, Lender is entitled to determine and negotiate the terms on which it will accept prepayments of its loans, and (ii) Borrower could have elected to negotiate more permissive prepayment provisions and/or a more favorable manner of calculating the Prepayment Premium, but in such event the applicable interest rate spread, and therefore the Note Rate, would have been higher to compensate Lender for the potential loss of income on account of the risk that Borrower might elect to prepay this Note at an earlier time and/or for a lesser Prepayment Premium than set forth herein.

Therefore, in consideration of Lender's agreement to the Note Rate set forth herein, and in recognition of Lender's reliance on the prepayment provisions of this Note (including the method of calculating the Prepayment Premium), Borrower agrees that the manner of calculation of the Prepayment Premium set forth in this Note represents bargained-for compensation to Lender for granting to Borrower the privilege of prepaying this Note on the terms set forth herein and for the potential loss of future income to Lender arising from having to redeploy the amounts prepaid under this Note into other loans or investments. As such, the Prepayment Premium constitutes reasonable compensation to Lender for making the Loan on the terms reflected in this Note and does not represent any form of damages (liquidated or otherwise), nor does it represent a penalty.

5 . No Usury. Under no circumstances shall the aggregate amount paid or to be paid as interest under this Note exceed the highest lawful rate permitted under applicable usury law ("**Maximum Rate**"). If under any circumstances the aggregate amounts paid on this Note shall include interest payments which would exceed the Maximum Rate, Borrower stipulates that payment and collection of interest in excess of the Maximum Rate ("**Excess Amount**") shall be deemed the result of a mistake by both Borrower and Lender and Lender shall promptly credit the Excess Amount against the Balance (without Prepayment Premium or other premium) or refund to Borrower any portion of the Excess Amount which cannot be so credited.

6 . Security and Documents Incorporated. This Note is the Note referred to and secured by the Amended, Restated and Consolidated Mortgage and Security Agreement of even date herewith between Borrower, as mortgagor, and Lender and Prudential, as mortgagee, to be recorded in the real estate records of Bergen County, New Jersey (the "**Instrument**") and is secured by the Property. In addition, this Note is secured by all other mortgages, deeds of trust and other collateral described in and referenced in the Loan Agreement. Borrower shall observe and perform all of the terms and conditions in the Documents. The Documents are incorporated into this Note as if fully set forth in this Note.

7 . Treatment of Payments. All payments under this Note shall be made, without offset or deduction, (a) in lawful money of the United States of America at the office of Lender or at such other place (and in the manner) Lender may specify by written notice to Borrower, (b) in immediately available federal funds, and (c) if received by Lender prior to 2:00 p.m. Eastern Time at such place, shall be credited on that day, or, if received by Lender on or after 2:00 p.m. Eastern Time at such place, shall, at Lender's option, be credited on the next Business Day. Initially (unless waived by Lender), and until Lender shall direct Borrower otherwise, Borrower shall make all payments due under this Note in the manner set forth in Section 3.13 of the Instrument, and in the event of full compliance by Borrower thereunder, Borrower shall have no liability for any Late Charges, and it shall not constitute a default or Event of Default hereunder or under any of the other Documents, if Lender fails to initiate payment due through the Automated Clearing House network (or similar electronic process) for settlement on the Due Date in a timely manner. If any Due Date falls on a day which is not a Business Day, then the Due Date shall be deemed to have fallen on the next succeeding Business Day.

8 . **Limited Recourse Liability.** Except to the extent set forth in Paragraph 8 and Paragraph 9 of this Note, neither Borrower nor any general or limited partner(s) or member(s) of Borrower nor any officers, directors, shareholders, unitholders, general or limited partners, members, employees or agents of Borrower or its general partners or members shall have any personal liability for the Loan or any Obligations. Notwithstanding the preceding sentence, Lender may bring a foreclosure action or other appropriate action to enforce the Documents or realize upon and protect the Property (including, without limitation, naming Borrower and any other necessary parties in the actions) **and IN ADDITION BORROWER, ANY GENERAL PARTNER(S) OF BORROWER, MACK-CALI REALTY CORPORATION AND MACK-CALI REALTY, L.P. (SOMETIMES HEREIN REFERRED TO, SINGULARLY OR COLLECTIVELY, AS THE "RECOURSE PARTIES") SHALL HAVE JOINT AND SEVERAL PERSONAL LIABILITY FOR:**

- (a) any amounts accrued and/or payable under any indemnities, guaranties, master leases or similar instruments (which indemnities, guaranties, master leases, and instruments consist, as of Closing, of the following instruments: that certain Environmental and ERISA Indemnity Agreement, that certain Recourse Liabilities Guaranty, and that certain Partial Recourse Guaranty, each dated as of even date herewith, and Sections 8.03, 8.04, 8.05, 8.06 and 8.07 of the Instrument) furnished in connection with the Loan, but excluding indemnities arising solely under Section 8.02 of the Instrument;
- (b) subject to Section 4(b) of that certain Cash Management Agreement between Borrower, Lender and Prudential of even date herewith (the "Cash Management Agreement"), the amount of any assessments and taxes (accrued and/or payable prior to the completion by Lender of a foreclosure on the Property or acceptance by Lender of a deed or other conveyance of the Property in lieu of such foreclosure, including the pro-rata share of current real estate taxes) with respect to the Property;
- (c) the amount of any security deposits, rents prepaid more than one (1) month in advance, or prepaid expenses of tenants to the extent not turned over to (i) Lender upon foreclosure, sale (pursuant to power of sale), or conveyance in lieu thereof, or (ii) a receiver or trustee for the Property after appointment;
- (d) the amount of any insurance proceeds or condemnation awards neither turned over to Lender nor used in compliance with the Documents;
- (e) damages suffered or incurred by Lender as a result of Borrower (i) entering into a new Lease, (ii) entering into an amendment or termination of an existing Lease, or (iii) accepting a termination, cancellation or surrender of an existing Lease (other than with respect to a Lease with a Major Tenant which is addressed in Paragraph 9(d) below) in breach of the leasing restrictions set forth in Section 7 of the Assignment; provided, however, that in the case of clauses (ii) and (iii) above, the Recourse Parties liability shall be limited to the greater of:
  - (1) the present value (calculated at the Discount Rate) of the aggregate total dollar amount (if any) by which (A) rental income and/or other tenant obligations prior to the amendment or termination of the Lease exceeds (B) rental income and/or other tenant obligations after the amendment or termination of such Lease; and

(2) any amendment or termination fee or other consideration paid by or on behalf of a tenant;

provided, however, that, in such event, such liability shall be limited to the Crossed Loan (or Crossed Loans) applicable to the Individual Property (or Individual Properties) in which the Lease is located;

(f) subject to Section 4(b) of the Cash Management Agreement, damages suffered or incurred by Lender by reason of any waste of the Property;

(g) the amount of any rents or other income from the Property received by any of the Recourse Parties after a default under the Documents and not otherwise applied to the indebtedness under this Note or to the current (not deferred) operating expenses of the Property; PROVIDED, HOWEVER, THAT THE RECOURSE PARTIES SHALL HAVE PERSONAL LIABILITY for amounts paid as expenses to a person or entity related to or affiliated with any of the Recourse Parties except for (A) reasonable salaries for on-site employees, (B) a reasonable allocation of the salaries of off-site employees for accounting and management, and (C) out-of-pocket expenses of Borrower's management company relating to the Property, but in no event shall such expenses include any profit or be greater than prevailing market rates for any such services;

(h) the face amount of any letter of credit required under the Documents or otherwise in connection with the Loan that (i) Borrower fails to maintain or (ii) as to which Borrower fails to replace such letter of credit with, or post in lieu of such letter of credit, a cash deposit paid to Lender and held by Lender as additional collateral under the Documents;

(i) the amount of any security deposit (a "**Security Deposit**") cashed or applied by Borrower or any termination fee, cancellation fee or any other fee (collectively, a "**Lease Termination Fee**") received by Borrower (x) in connection with a lease termination, cancellation, surrender or expiration (but Lease Termination Fees shall not include the application of, or surrender of, lease security deposits at the scheduled expiration of the applicable lease in lieu of the payment of the corresponding amount of rentals) within one hundred twenty (120) days prior to or after an Event of Default under the Documents, (y) which is greater than one (1) month's base rent for the Lease to which the Security Deposit and/or Lease Termination Fee applies, and (z) which is not either (A) paid to Lender (or an escrow agent selected by Lender) to be disbursed for the payment of Lender approved (or deemed approved) (1) tenant improvements and/or (2) market leasing commissions, or, (B) if the applicable Lease Termination Fees total less than \$1,000,000 (with respect to all of the Crossed Loans and properties that are the subject of the Loan Agreement) in the aggregate during any such one hundred twenty (120) day period, actually disbursed by Borrower for the payment of the Obligations (any Lease Termination Fees that total more than \$1,000,000 with respect to all of the Crossed Loans and properties that are the subject of the Loan Agreement in the aggregate during any such one hundred twenty (120) day period must, to the extent in excess of such \$1,000,000 aggregate threshold, be paid to Lender for escrow as set forth in clause (A) to avoid recourse liability resulting under this clause (i));

(j) following a default under the Documents, all attorneys' fees, including allocated costs of Lender's staff attorneys, and other expenses incurred by Lender in enforcing the Documents if Borrower contests, delays, or otherwise hinders or opposes (including, without limitation, the filing of a bankruptcy by Borrower or any owners of any equity interests therein) any of Lender's enforcement actions; provided, however, that if in such action Borrower successfully proves that no default occurred under the Documents, Borrower shall not be required to reimburse Lender for such attorneys' fees, allocated costs and other expenses; and

(k) damages suffered or incurred by Lender as a result of Borrower's breach or violation of Sections 2.10 or 3.21 of the Instrument.

(l) the "Recourse Guaranteed Amount", as defined in the Partial Recourse Guaranty of even date herewith from Mack-Cali Realty, L.P. ("Recourse Guarantor"), which recourse liability shall be recourse to Borrower, jointly and severally with Recourse Guarantor, to the same extent that Recourse Guarantor has recourse liability for the Loan (all indebtedness evidenced by the Note and all obligations set forth in the Documents) under the Partial Recourse Guaranty, as Borrower covenants and agrees that the Loan shall be recourse to Borrower, jointly and severally with Recourse Guarantor, to the same extent that Recourse Guarantor has recourse liability for the Loan under the Partial Recourse Guaranty, and that Borrower's recourse under the Documents with respect to such liability under the Partial Recourse Guaranty shall be reduced and/or released at the same time and on the same terms as provided above for Recourse Guarantor; and

(m) if, pursuant to any lease under Section 3.4(c)(iii) of the Loan Agreement, Borrower shall elect not to pay in full all leasing commissions for the initial term of such lease (Borrower being required to pay all commissions when due), to the extent of all leasing commissions for the initial term of such lease that are not paid in full;

(n) Borrower and the Recourse Parties shall, as set forth in Section 8.6 of the Loan Agreement, have recourse liability for any Additional Parking Costs; and

(o) Borrower and the Recourse Parties shall, as set forth in Section 8.7 of the Loan Agreement, have recourse liability for any Title Loss.

9 . Full Recourse Liability. Notwithstanding the provisions of Paragraph 8 of this Note, the **RECOURSE PARTIES SHALL HAVE JOINT AND SEVERAL PERSONAL LIABILITY** for all indebtedness evidenced by this Note and all Obligations set forth in the Documents if:

(a) there shall be any breach or violation of Article V of the Instrument; or

(b) there shall be any fraud or material misrepresentation by any of the Recourse Parties in connection with the Property, the Documents, the Loan Application, or any other aspect of the Loan; or

(c) the Property or any part thereof shall become an asset in (i) a voluntary bankruptcy or insolvency proceeding or (ii) an involuntary bankruptcy or insolvency proceeding which is not dismissed within ninety (90) days of filing; provided, however, that this Paragraph 9(c) shall not apply if (A) an involuntary bankruptcy is filed by Lender, or (B) the involuntary filing was initiated by a third-party creditor independent of any collusive action, participation or collusive communication by (1) Borrower, (2) any partner, shareholder or member of Borrower or Borrower's general partner or managing member, or (3) any of the Recourse Parties; or

(d) any of the Recourse Parties (i) enters into a Lease with a Major Tenant, (ii) enters into an amendment or termination of any Lease with a Major Tenant, or (iii) accepts the termination, cancellation or surrender of any Lease with a Major Tenant, in breach of the leasing restrictions set forth in Section 7 of the Assignment; provided, however, that, in such event, such liability shall be limited to the Crossed Loan (or Crossed Loans) applicable to the Individual Property (or Individual Properties) in which the Lease is located, except that in the event that the damages suffered or incurred by Lender as a result of any of the Recourse Parties taking any such action described in clauses (i), (ii) or (iii) above exceeds the amount of such Crossed Loan (or Crossed Loans) applicable to the Individual Property (or Individual Properties) in which the Lease is located, then the Recourse Parties shall have joint and several personal liability for all such damages suffered or incurred by Lender as a result of any of the Recourse Parties taking any such action described in clauses (i), (ii) or (iii) above.



10. Joint and Several Liability. This Note shall be the joint and several obligation of all makers, endorsers, guarantors and sureties, and shall be binding upon them and their respective successors and assigns and shall inure to the benefit of Lender and its successors and assigns.

11. Unconditional Payment. Borrower is and shall be obligated to pay principal, interest and any and all other amounts which became payable hereunder or under the other Documents absolutely and unconditionally and without abatement, postponement, diminution or deduction and without any reduction for counterclaim or setoff. In the event that at any time any payment received by Lender hereunder shall be deemed by a court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under any bankruptcy, insolvency or other debtor relief law, then the obligation to make such payment shall survive any cancellation or satisfaction of this Note or return thereof to Borrower and shall not be discharged or satisfied with any prior payment thereof or cancellation of this Note, but shall remain a valid and binding obligation enforceable in accordance with the terms and provisions hereof, and such payment shall be immediately due and payable upon demand.

12. Certain Waivers. Borrower and all others who may become liable for the payment of all or any part of the Obligations do hereby severally waive presentment and demand for payment, notice of dishonor, protest and notice of protest, notice of non-payment and notice of intent to accelerate the maturity hereof (and of such acceleration). No release of any security for the Obligations or extension of time for payment of this Note or any installment hereof, and no alteration, amendment or waiver of any provision of this Note, the Instrument or the other Documents shall release, modify, amend, waive, extend, change, discharge, terminate or affect the liability of Borrower, and any other who may become liable for the payment of all or any part of the Obligations, under this Note, the Instrument and the other Documents, except to the extent expressly altered, amended or changed thereby.

13. **WAIVER OF TRIAL BY JURY. EACH OF BORROWER AND LENDER HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM FILED BY EITHER PARTY, WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THE LOAN, THE DOCUMENTS, OR ANY ALLEGED ACTS OR OMISSIONS OF LENDER OR BORROWER IN CONNECTION THEREWITH.**

IN WITNESS WHEREOF, this Note has been duly executed by Borrower as of the date first set forth above.

**BORROWER:**

**MACK-CALI REALTY, L.P.**, a Delaware limited partnership

By: MACK-CALI REALTY CORPORATION, a Maryland corporation, General Partner

By: \_\_\_\_\_

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer





Loan No. \_\_\_\_\_ and \_\_\_\_\_

Dated as of January 15, 2010

**RECOURSE LIABILITIES GUARANTY**

**FOR VALUE RECEIVED**, the receipt and sufficiency of which is hereby acknowledged, and in accordance with the terms provided below, the undersigned, **MACK-CALI REALTY CORPORATION**, a Maryland corporation, and **MACK-CALI REALTY, L.P.**, a Delaware limited partnership (whether one or more, hereinafter together called "**Guarantor**" in the singular), absolutely and unconditionally guarantees and agrees to pay to **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation ("Prudential"), and **VPCM, LLC**, a Virginia limited liability company ("VPCM") (collectively hereinafter called "**Lender**") at the address designated in the Note (as hereinafter defined) for payment thereof or as such address may be changed as provided in the Note or the Instrument, all Recourse Liabilities (defined below) of \_\_\_\_\_ (hereinafter called "**Borrower**"), under Paragraphs 8 and 9 of the Note (defined below) (all such indebtedness is hereinafter called the "**Recourse Liabilities**"), and absolutely and unconditionally covenants and agrees with Lender pursuant to the terms of this Recourse Liabilities Guaranty (hereinafter called "**Guaranty**"), as follows:

1. As used in this Guaranty, the term (i) "**Documents**" shall have the same meaning as set forth in the Instrument (defined below); (ii) "**Obligations**" shall have the same meaning as set forth in the Instrument; (iii) "**Note**" shall refer, collectively, to that certain Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_), each made by Borrower of even date herewith, in the aggregate original principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_), as the same may be modified, amended, renewed, extended, and/or substituted, which Note is secured by the Instrument (as hereinafter defined); (iv) "**Instrument**" shall refer to that certain Amended, Restated and Consolidated Mortgage and Security Agreement of even date herewith, from Borrower to or for the benefit of Lender, and recorded or to be recorded in the public records of \_\_\_\_\_; (v) "**Property**" shall have the same meaning as set forth in the Instrument; (vi) "**Loan**" shall have the same meaning as set forth in the Instrument; (vii) "**Costs**" shall have the same meaning as set forth in the Instrument; and (viii) "**Recourse Liabilities**" shall mean all limited and full recourse indebtedness of Borrower under Paragraphs 8 and 9 of the Note (it being noted that, as set forth in Subparagraph 8(b) and Subparagraph 8(f) of each Note, Subparagraph 8(b) and Subparagraph 8(f) are subject to Section 4(b) of that certain Cash Management Agreement between Borrower and Lender of even date herewith). Capitalized terms used herein and not defined herein shall have the meaning ascribed to such terms in the Instrument.
  2. Without in any way limiting the liability of Guarantor under that certain Environmental and ERISA Indemnity Agreement made by Guarantor and Borrower in favor of Lender of even date herewith (the "**Environmental Indemnity**"), in the event Borrower fails to pay the Recourse Liabilities when due, Guarantor shall upon written demand of Lender promptly (not later than five (5) days after written demand) and with due diligence pay to and for the benefit of Lender all of the Recourse Liabilities, and, in addition, Guarantor further agrees to pay any and all Costs incurred or expended by Lender in collecting any of the Recourse Liabilities or in enforcing any right granted hereunder.
  3. Guarantor's liability under this Guaranty shall be fully recourse and the Recourse Liabilities are expressly not subject to, or limited by, any limitations on Borrower's liability set forth in the Note, and Guarantor agrees and acknowledges that Lender is relying upon the full recourse nature of this Guaranty in making the Loan to Borrower. Further, the scope of this Guaranty shall in no way affect or limit any liability of Guarantor in its capacity as an "Indemnitator" under the Environmental Indemnity.
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4. In the event that Lender elects to foreclose or to accept a deed-in-lieu of foreclosure under the Instrument, Guarantor hereby acknowledges and agrees that Guarantor's recourse liability under this Guaranty as determined above shall be calculated after deduction from the outstanding Obligations (including, but not limited to, all principal, accrued interest, Prepayment Premium [as defined in the Note], advances and other charges) of (i) the amount of money bid by or received by Lender at a foreclosure sale, or (ii) the value of the Property and any other property received by Lender as consideration for acceptance of a deed-in-lieu of foreclosure.
5. In the event that Lender accepts a deed-in-lieu of foreclosure, the value of the Property and any other property received by Lender shall be conclusively determined by an independent MAI appraiser, selected by Lender in its sole discretion, having not less than five (5) years' experience in appraising commercial real estate in the area where the Land is located, unless in connection with such acceptance of such deed-in-lieu of foreclosure Lender agrees to an alternate valuation. The fees and costs of said MAI appraiser shall be paid by Borrower.
6. Guarantor's recourse liability under this Guaranty shall continue with respect to any and all Recourse Liabilities, until Lender has been paid the full amount of the Obligations and the Recourse Liabilities from any person or entity at the time of foreclosure or following an Event of Default; provided, however, that Guarantor's recourse liability under this Guaranty shall be in addition to, and not in lieu of, any liability or obligations of Guarantor under any other document or other instrument delivered by Guarantor in connection with the Loan.
7. Guarantor also acknowledges and agrees that Lender shall have the right to seek collection of the recourse portion of the Loan under this Guaranty from Guarantor without commencement of any foreclosure proceedings.
8. Guarantor expressly waives presentment for payment, demand, notice of demand and of dishonor and nonpayment of the Recourse Liabilities, notice of intention to accelerate the maturity of the Recourse Liabilities or any part thereof, notice of disposition of collateral, notice of acceleration of the maturity of the Recourse Liabilities or any part thereof, protest and notice of protest, diligence in collecting, and the bringing of suit against any other party. Guarantor agrees that Lender shall be under no obligation to:  
(i) notify Guarantor of its acceptance of this Guaranty or of any advances made or credit extended on the faith of this Guaranty; (ii) notify Guarantor of Borrower's failure to make payments due under the Note as it matures or the failure of Borrower to pay any of the Recourse Liabilities as they mature or any default in performance of any obligations required by the Note, the Instrument or any other Document; (iii) use diligence in preserving the liability of any person with respect to the Recourse Liabilities, or with respect to the Note, the Instrument or any other Document; (iv) use diligence in collecting payments or demanding performance required by the terms of the Note, the Instrument or any other Document; or (v) bring suit against, or take any other action against, any party to enforce collection of the Note, the Instrument or any other Document.
9. Guarantor waives all legal defenses (at law or in equity) given or available to sureties or guarantors other than the actual payment in full of all Recourse Liabilities, and waives all legal defenses (at law or in equity) based upon the validity, legality or enforceability of the Note, the Instrument or any other Document (including, without limitation, any claim that the Note, the Instrument or any other Document is or was in any way usurious), or otherwise with respect to the following actions with respect to the Recourse Liabilities or Obligations, as to which Guarantor consents that Lender may from time to time, before or after any default by the Borrower, with or without further notice to or assent from Guarantor:

- (a) exchange with, release or surrender, either with or without consideration, to the Borrower or to any Guarantor, pledgor or grantor any collateral, or waive, release or subordinate any security interest, in whole or in part, now or hereafter held as security for the Loan and/or any of the Obligations;
- (b) waive or delay the exercise of any of its rights or remedies against any person or entity, including but not limited to the Borrower and/or any guarantor, which waiver or delay shall not preclude the Lender from further exercise of any of its rights, powers or privileges expressly provided for herein or otherwise available, it being understood that all such rights and remedies are cumulative;
- (c) release, either fully or partially, any person or entity, including but not limited to the Borrower, guarantor, endorser, surety or any judgment debtor;
- (d) proceed against the Guarantor for payment of the Recourse Liabilities, without first proceeding against or joining the Borrower, any other guarantor, surety, endorser of the Note, or any property securing payment of the Note, the Instrument, or any other Loan Documents;
- (e) renew, extend or modify the terms of the Loan or any instrument or agreement evidencing the Loan and/or any of the Obligations;
- (f) apply payments by the Borrower, the Guarantor, or any other person or entity to the reduction of the Loan and/or Obligations in such manner and in such amounts and at such time or times and in such order and priority as Lender shall determine;
- (g) permit any sale, transfer or encumbrance of the Property or any part thereof; and
- (h) generally deal with the Borrower or any of the security or other person or party as the Lender shall determine.

The Guarantor hereby ratifies and confirms any such exchange, release, surrender, subordination, waiver, delay, proceeding, renewal, extension, modification or application, or other dealing, all of which actions shall be binding upon Guarantor who hereby waives all defenses, counterclaims or set-offs which Guarantor might otherwise have as a result of such actions, and who hereby agrees to remain bound under this Guaranty. In accordance with the terms of this Guaranty, Guarantor agrees and acknowledges that it shall be primarily liable for payment of the Recourse Liabilities (subject only to the limitations set forth above) in the event of default or foreclosure.

10. Guarantor acknowledges and agrees that from time to time, at Lender's discretion, with or without valuable consideration, without authorization from or notice to Guarantor, and without impairing, modifying, releasing, limiting or otherwise affecting Guarantor's liability under this Guaranty, Lender may: (i) alter, compromise, accelerate, renew, extend or change the time or manner for the payment of any or all of the Obligations due under the Note, the Instrument or any other Document (including, but not limited to, with respect to any Recourse Liabilities); (ii) increase or reduce the rate of interest with respect to the Note or Loan; (iii) take and surrender security, exchange security by way of substitution, or in any way Lender deems necessary take, accept, withdraw, subordinate, alter, amend, modify or eliminate security; (iv) add or release or discharge endorsers, guarantors or other obligors; (v) make changes of any kind whatsoever in the terms of the Note, the Instrument or any other Document; (vi) make changes of any kind whatsoever in the manner Lender does business with Borrower; (vii) settle or compromise with Borrower or any other person(s) liable on the Note, the Instrument or any other Document (including, but not limited to, any person(s) liable with respect to any Recourse Liabilities) on such terms as Lender determines; (viii) apply all moneys received from Borrower or others, or from any security held (whether or not held under a mortgage, deed of trust, deed to secure debt or other instrument), in such manner upon the Note or upon any other obligation arising under the Instrument or any other Document (whether then due or not) as Lender determines to be in its best interest (including, but not limited to, application with respect to any Recourse Liabilities), and without in any way being required to marshal securities or assets or to apply all or any part of such moneys upon any particular part of the Note, the Instrument or any other Document, except to the extent as may be expressly provided therein.

11. Guarantor agrees that Lender is not required to retain, hold, protect, exercise due care with respect to, perfect security interests in, or otherwise assure or safeguard any security for the Note or the Loan. Guarantor agrees and acknowledges that Lender's failure to do any of the foregoing and Lender's failure to exercise any other right or remedy available to Lender shall in no way affect or alter any of Guarantor's obligations under this Guaranty or any security furnished by Guarantor, or give Guarantor any recourse against Lender.

12. Guarantor agrees that its liability under this Guaranty shall not be modified, changed, released, limited or impaired in any manner whatsoever on account of any or all of the following: (i) the incapacity, death, disability, dissolution or termination of Guarantor, Borrower, Lender or any other person or entity; (ii) the failure by Lender to file or enforce a claim against the estate (either in administration, bankruptcy or other proceeding) of Borrower or any other person or entity; (iii) the inability of Lender, Guarantor or any other person or entity to recover from Borrower or any other party due to the expiration of any statute of limitations or due to any other cause whatsoever; (iv) the claim or assertion (whether or not successful) by Borrower or any other person or entity of any available defenses, set-off rights or counterclaims (other than payment in full of the Obligations) during any judicial, arbitration, or mediation proceeding; (v) the transfer(s) of any portion of the Property encumbered by the Instrument or of any other secured collateral by other instrument securing payment of the Obligations; (vi) any modifications, extensions, amendments, consents, releases or waivers with respect to the Note, the Instrument or any other Document, including, but not limited to, any other instrument that may now or hereafter secure the payment of the Obligations or this Guaranty; (vii) Lender's failure to give any notice to Guarantor of any default under the Note, the Instrument or any other Document, including, but not limited to, any other instrument securing the payment of the Obligations or this Guaranty; (viii) Guarantor is or becomes liable for any indebtedness owed by Borrower to Lender other than that which is secured by this Guaranty; or (ix) any impairment, modification, change, release or limitation of the liability of, or stay of actions or lien enforcement proceedings against, Borrower, its property, or its estate in bankruptcy resulting from the operation of any present or future provision of 11 U.S.C. §101 *et. seq.* or any other present or future federal or state insolvency, bankruptcy or similar law (all of the foregoing hereinafter collectively called "**Applicable Bankruptcy Law**") or from the decision of any court.

13. Guarantor agrees and acknowledges that Lender shall not be required to (i) pursue any other remedies before invoking the benefits of the guaranties contained in this Guaranty, or (ii) make demand upon or institute suit or otherwise pursue or exhaust its remedies against Borrower or any surety other than Guarantor or to proceed against any security now or hereafter existing for the payment of any of the Obligations (including, but not limited to, the Recourse Liabilities). Guarantor also acknowledges that Lender may maintain an action on this Guaranty without joining Borrower in such action and without bringing a separate action against Borrower.



14. If the Note, the Instrument or any other Document cannot be enforced against Borrower for any reason whatsoever (including but not limited to the legal defenses of *ultra vires*, lack of authority, illegality, *force majeure*, act of God, usury or impossibility), such unenforceability shall not affect Guarantor's liability under this Guaranty. Guarantor agrees that it shall be liable to the extent provided in this Guaranty notwithstanding the fact that Borrower may be held not to be liable for such Obligations or not liable to the same extent as Guarantor's liability.

15. Guarantor agrees that in the event that Borrower does not or otherwise is unable to pay the Obligations for any reason (including, without limitation, liquidation, dissolution, receivership, conservatorship, insolvency, bankruptcy, assignment for the benefit of creditors, sale of all or substantially all assets, reorganization, arrangement, composition, or readjustment of, or other similar proceedings affecting the status, composition, identity, existence, assets or obligations of Borrower, or the disaffirmance or termination of any of the Recourse Liabilities or Obligations in or as a result of any such proceeding), Guarantor shall pay the Recourse Liabilities and such occurrence shall in no way affect Guarantor's obligations under this Guaranty.

16. Should the status, structure or composition of Borrower change, Guarantor agrees that this Guaranty shall continue and shall also cover the Recourse Liabilities of Borrower under the new status, structure or composition of Borrower, or of Borrower's successor. This Guaranty shall remain in full force and effect notwithstanding any transfer of the Property encumbered by the Instrument.

17. In the event any payment by Borrower to Lender is held to constitute a preference under any Applicable Bankruptcy Law, or if for any other reason Lender is required to refund or does refund such payment or pay such amount to any other party, Guarantor acknowledges that such payment by Borrower to Lender shall not constitute a release of Guarantor from any liability under this Guaranty, but Guarantor agrees to pay such amount to Lender upon demand and this Guaranty shall continue to be effective or shall be reinstated, as the case may be, to the extent of any such payment or payments.

18. Guarantor agrees that it shall not have (i) the right to the benefit of, or to direct the application of, any security held by Lender (including the Property covered, conveyed or encumbered by the Instrument and any other instrument securing the payment of the Obligations), (ii) any right to enforce any remedy which Lender now has or hereafter may have against Borrower, or (iii) any right to participate in any security now or hereafter held by Lender.

19. Guarantor also agrees that it shall not have (i) any defense arising out of the absence, impairment or loss of any right of reimbursement or subrogation or other right or remedy of Guarantor against Borrower or against any security resulting from the exercise or election of any remedies by Lender (including the exercise of the power of sale under the Instrument), or (ii) any defense arising by reason of any disability or other defense of Borrower or by reason of the cessation, from any cause (other than as a result of payment in full of the Obligations, including, but not limited to, the Recourse Liabilities), of Borrower's liability under the Note, the Instrument or any other Document.

20. Guarantor agrees that any payment it makes of any amount pursuant to this Guaranty shall not in any way entitle Guarantor to any right, title or interest (whether by way of subrogation or otherwise) in and to the Note, the Instrument or any other Document, or any proceeds attributable to the Note, the Instrument or any other Document, unless and until the full amount of the Obligations owing to Lender has been fully paid. At such time as the full amount of the Obligations owing to Lender has been fully paid, Guarantor shall be subrogated as to any payments made by it to Lender's rights against Borrower and/or any endorsers, sureties or other guarantors. For the purposes of the preceding sentence only, the full amount of the Obligations shall not be deemed to have been paid in full by foreclosure of the Instrument or by acceptance of a deed-in-lieu of foreclosure, and Guarantor hereby waives and disclaims any interest which it might have in the Property encumbered by the Instrument or other collateral security for the Obligations, by subrogation or otherwise, following such foreclosure or Lender's acceptance of a deed-in-lieu of foreclosure.

21. Guarantor expressly subordinates its rights to payment of any indebtedness owing from Borrower to Guarantor (including, but not limited to, property management and construction management fees and leasing commissions, subject, however, to any rights under those certain Conditional Assignments of Management Agreement and Subordination of Management Agreement and Management Fees), whether now existing or arising at any time in the future, to the right of Lender to first receive or require payment of the Obligations in full (and including interest accruing on the Note after any petition under Applicable Bankruptcy Law, which post-petition interest Guarantor agrees shall remain a claim that is prior and superior to any claim of Guarantor notwithstanding any contrary practice, custom or ruling in proceedings under such Applicable Bankruptcy Law). Guarantor further agrees, upon the occurrence of an Event of Default (subject, however, to any rights under those certain Conditional Assignments of Management Agreement and Subordination of Management Agreement and Management Fees), not to accept any payment or satisfaction of any kind of indebtedness of Borrower to Guarantor or any security for such indebtedness without Lender's prior written consent. If Guarantor should receive any such payment, satisfaction or security for any indebtedness owed by Borrower to Guarantor, Guarantor agrees to deliver the same without delay to Lender in the form received, endorsed or assigned for application on account of, or as security for, the Recourse Liability; until such payment, satisfaction or security is delivered, Guarantor agrees to hold the same in trust for Lender.

22. Under no circumstances shall the aggregate amount paid or agreed to be paid under this Guaranty exceed the highest lawful rate permitted under applicable usury law (the "**Maximum Rate**") and the payment obligations of Guarantor hereunder are hereby limited accordingly. If under any circumstances, whether by reason of advancement or acceleration of the unpaid principal balance of the Note or otherwise, the aggregate amounts paid hereunder shall include amounts which by law are deemed interest and which could exceed the Maximum Rate, Guarantor stipulates that payment and collection of such excess amounts shall have been and will be deemed to have been the result of a mistake on the part of both Guarantor and Lender, and Lender shall promptly credit such excess (only to the extent such interest payments are in excess of the Maximum Rate) against the unpaid principal balance of the Note, and any portion of such excess payments not capable of being so credited shall be refunded to Guarantor. The term "**applicable law**" as used in this paragraph shall mean the laws of the Property State (as such term is defined in the Instrument) or the laws of the United States, whichever laws allow the greater rate of interest, as such laws now exist or may be changed or amended or come into effect in the future.

23. Guarantor hereby represents, warrants and covenants to and with Lender as follows: (i) the making of the Loan by Lender to Borrower is and will be of direct interest, benefit and advantage to Guarantor; (ii) Guarantor is solvent, is not bankrupt and has no outstanding liens, garnishments, bankruptcies or court actions which could render Guarantor insolvent or bankrupt; (iii) there has not been filed by or against Guarantor a petition in bankruptcy or a petition or answer seeking an assignment for the benefit of creditors, the appointment of a receiver, trustee, custodian or liquidator with respect to Guarantor or any substantial portion of Guarantor's property, reorganization, arrangement, rearrangement, composition, extension, liquidation or dissolution or similar relief under Applicable Bankruptcy Law; (iv) all reports, financial statements and other financial and other data which have been or may hereafter be furnished by Guarantor to Lender in connection with this Guaranty are or shall be true and correct in all material respects and do not and will not omit to state any fact or circumstance necessary to make the statements contained therein not misleading and do or shall fairly represent the financial condition of Guarantor as of the dates and the results of Guarantor's operations for the periods for which the same are furnished, and no material adverse change has occurred since the dates of such reports, statements and other data in the financial condition of Guarantor; (v) the execution, delivery and performance of this Guaranty do not contravene, result in the breach of or constitute a default under any mortgage, deed of trust, lease, promissory note, loan agreement or other contract or agreement to which Guarantor is a party or by which Guarantor or any of its properties may be bound or affected and do not violate or contravene any law, order, decree, rule or regulation to which Guarantor is subject; (vi) there are no judicial or administrative actions, suits or proceedings pending or, to the best of Guarantor's knowledge, threatened against or affecting Guarantor which would have a material adverse effect on either the Property or Borrower's ability to perform its obligations, or involving the validity, enforceability or priority of this Guaranty; and (vii) this Guaranty constitutes the legal, valid and binding obligation of Guarantor enforceable in accordance with its terms.

24. Guarantor will furnish to Lender the financial statements and other information as to Guarantor as are described in Section 3.15 of the Instrument, on or before the deadlines set forth therein. Guarantor will provide to Lender such other financial information and statements concerning Guarantor's financial status as Lender may request from time to time, all of which shall be in form and substance acceptable to Lender. Guarantor shall be in default hereunder if there is any falsity in any material respect or any material omission in any representation or statement made by Guarantor to Lender or in any information furnished Lender, by or on behalf of Borrower or Guarantor, in connection with the Loan and/or any of the Obligations, as determined by Lender in its sole and absolute discretion.

25. Guarantor further agrees to the following:

(a) Where two or more persons or entities have executed this Guaranty, unless the context clearly indicates otherwise, all references herein to "Guarantor" shall mean the guarantors hereunder or either or any of them. All of the obligations and liability of said guarantors hereunder shall be joint and several. Suit may be brought against said guarantors, jointly and severally, or against any one or more of them, or less than all of them, without impairing the rights of Lender against the other or others of said guarantors. Lender may compound with any one or more of said guarantors for such sums or sum as it may see fit and/or release such of said guarantors from all further liability to Lender for such indebtedness without impairing the right of Lender to demand and collect the balance of such indebtedness from the other or others of said guarantors not so compounded with or released. However, said guarantors agree that such compounding and release shall in no way impair their rights as among themselves.

(b) Except as otherwise provided herein, the rights of Lender are cumulative and shall not be exhausted by its exercise of any of its rights under this Guaranty or otherwise against Guarantor or by any number of successive actions, until and unless all Recourse Liabilities have been paid and each of the obligations of Guarantor under this Guaranty have been performed.

(c) Intentionally Omitted.

(d) Any notice or communication required or permitted under this Guaranty shall be given in writing, sent by (i) personal delivery, or (ii) expedited delivery service with proof of delivery, or (iii) United States mail, postage prepaid, registered or certified mail, sent to the intended addressee at the address shown below, or to such other address or to the attention of such other person(s) as hereafter shall be designated in writing by the applicable party sent in accordance herewith. Any such notice or communication shall be deemed to have been given and received either at the time of personal delivery or, in the case of delivery service or mail, as of the date of first attempted delivery on a business day at the applicable address and in the manner provided herein.

- (e) This Guaranty shall be deemed to have been made under and shall be governed in all respects by the laws of the Property State.
- (f) This Guaranty may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All such counterparts shall be construed together and shall constitute one instrument, but in making proof hereof it shall only be necessary to produce one such counterpart.
- (g) This Guaranty may only be modified, waived, altered or amended by a written instrument or instruments executed by the party against which enforcement of said action is asserted. Any alleged modification, waiver, alteration or amendment which is not so documented shall not be effective as to any party.
- (h) The books and records of Lender showing the accounts between Lender and Borrower shall be admissible in any action or proceeding arising from this Guaranty as *prima facie* evidence for any claim whatsoever, absent manifest error.
- (i) Guarantor waives and renounces any and all homestead or exemption rights Guarantor may have under the United States Constitution, the laws of the Property State, or the laws of any state as against Guarantor, and Guarantor transfers, conveys and assigns to Lender a sufficient amount of such homestead or exemption as may be allowed, including such homestead or exemption as may be set apart in bankruptcy, to pay and perform the obligations of Guarantor arising under this Guaranty. Guarantor hereby directs any trustee in bankruptcy having possession of such homestead or exemption to deliver to Lender a sufficient amount of property or money set apart as exempt to pay and perform such Guarantor obligations.
- (j) The terms, provisions, covenants and conditions of this Guaranty shall be binding upon Guarantor, its heirs, devisees, representatives, successors and assigns, and shall inure to the benefit of Lender and Lender's transferees, credit participants, successors, assigns and/or endorsees.
- (k) Within this Guaranty, the words of any gender shall be held and construed to include any other gender, and the words in the singular number shall be held and construed to include the plural and the words in the plural number shall be held and construed to include the singular, unless the context otherwise requires.
- (l) A determination that any provision of this Guaranty is unenforceable or invalid shall not affect the enforceability or validity of any other provision, and any determination that the application of any provision of this Guaranty to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to any other persons or circumstances. Accordingly, the provisions of this Guaranty are declared to be severable.

THIS GUARANTY is executed as of the date and year first above written.

**GUARANTOR:**

**MACK-CALI REALTY, L.P.**, a Delaware limited partnership

By: MACK-CALI REALTY CORPORATION, a Maryland corporation, General Partner

By: \_\_\_\_\_  
Name: Barry Lefkowitz  
Title: Executive Vice President and Chief Financial Officer

**MACK-CALI REALTY CORPORATION**, a Maryland corporation

By: \_\_\_\_\_  
Name: Barry Lefkowitz  
Title: Executive Vice President and Chief Financial Officer

The address of Guarantor is:

Mack-Cali Realty Corporation and Mack-Cali Realty, L.P.  
c/o Mack-Cali Realty Corporation  
343 Thornall Street  
Edison, New Jersey 08837  
Attn: Mitchell E. Hersh, President and Chief Executive Officer

With a copy to:

General Counsel  
Mack-Cali Realty Corporation  
343 Thornall St.  
Edison, New Jersey 08837  
Attention: Roger W. Thomas

The address of Lender is:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA AND VPCM, LLC  
c/o Prudential Asset Resources, Inc.  
2100 Ross Avenue, Suite 2500  
Dallas, Texas 75201  
Attention: Asset Management Department; Reference Loan No. \_\_\_\_\_ and \_\_\_\_\_

With a copy to:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA  
c/o Prudential Asset Resources, Inc.  
2100 Ross Avenue, Suite 2500  
Dallas, Texas 75201  
Attention: Legal Department; Reference Loan No. \_\_\_\_\_ and \_\_\_\_\_







Loan Nos. \_\_\_\_\_ and \_\_\_\_\_ (excluding Loan No. \_\_\_\_\_ and \_\_\_\_\_)

Dated as of January 15, 2010

**AMENDED AND RESTATED IRREVOCABLE CROSS COLLATERAL GUARANTY OF PAYMENT AND PERFORMANCE**

**THIS AMENDED AND RESTATED IRREVOCABLE CROSS COLLATERAL GUARANTY OF PAYMENT AND PERFORMANCE** (hereinafter called "**Guaranty**") is made by \_\_\_\_\_ ("**Guarantor**") in favor of **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation ("**Prudential**"), and **VPCM, LLC**, a Virginia limited liability company ("**VPCM**") (collectively, "**Lender**", which shall also mean successors and assigns who become holders of the Note).

**WITNESSETH:**

**WHEREAS**, Guarantor is the maker of, or has assumed the obligations of the maker of, that certain Amended and Restated Promissory Note dated as of November 12, 2004 in the original principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_) and payable to the order of Lender (the "Existing Guarantor Note"; the loan evidenced by the Existing Guarantor Note is herein referred to as the "Existing Guarantor Loan");

**WHEREAS**, the Existing Guarantor Loan was made pursuant to that certain Amended and Restated Loan Agreement dated as of November 12, 2004 (the "Existing Loan Agreement") by and among, inter alia, Lender and Guarantor relating to seven (7) cross-collateralized and cross-defaulted loans in the aggregate principal amount of \$150,000,000.00 (the "Existing Loans"); and

**WHEREAS**, Guarantor, Mack-Cali Realty Corporation, a Maryland corporation (the "REIT Corporation"), and Mack-Cali Realty, L.P., a Delaware limited partnership (the "Operating Partnership"), and the Borrowers listed on **Exhibit A** attached hereto and made a part hereof (hereinafter, excluding Guarantor, referred to collectively as "Borrowers") have, by that certain First Mortgage Loan Application Nos. \_\_\_\_\_, dated January 13, 2010 (the "Application"), applied for the Loan in the aggregate loan amount of \$150,000,000.00 (the "Aggregate Loan Amount"); and

**WHEREAS**, Guarantor, Borrowers, the REIT Corporation, the Operating Partnership, and Lender have agreed, pursuant to that certain Amended and Restated Loan Agreement dated of even date herewith (the "Loan Agreement") by and among Guarantor, Borrowers, the REIT Corporation, the Operating Partnership and Lender relating to seven (7) cross-collateralized and cross-defaulted loans in the aggregate principal amount of \$150,000,000.00 (hereinafter, excluding the loan made to Guarantor, referred to collectively as the "Loan"), to refinance the seven (7) cross-collateralized and cross-defaulted loans referenced in the Existing Loan Agreement, to amend and restate the terms thereof, and to re-allocate the loan amounts among the seven (7) Existing Loans representing additional advances to certain borrowers under the Loan Agreement and corresponding reductions of loan amounts to other borrowers under the Loan Agreement; and

**WHEREAS**, the Loan is, pursuant to the terms of the Application, divided into seven (7) individual loans (the "Individual Loans"), to be made by Lender in the amounts set forth on **Exhibit B** attached hereto and made a part hereof; one of those Individual Loans is a loan of \$ \_\_\_\_\_ (the "\_\_\_\_\_ Loan") to Guarantor secured by real property located in Bergen County, New Jersey, known as \_\_\_\_\_ (the "\_\_\_\_\_ Property") and which Loan is known as Loan No. \_\_\_\_\_ and \_\_\_\_\_, and which Loan is evidenced by an Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_); and



**WHEREAS**, Lender has agreed to make the Loans to Guarantor and the other Borrowers pursuant to the terms and conditions set forth in the Loan Agreement; and

**WHEREAS**, Guarantor and each other Borrower have executed and delivered to the Lender Amended, Restated and Consolidated Promissory Notes (the "New Notes") in the aggregate principal amount of \$150,000,000.00 as evidence of their indebtedness to Lender; and one or more of the New Notes is executed by Guarantor in its capacity as a Borrower and as an owner of its respective Properties as listed on **Exhibit A** attached hereto, which New Notes are executed in order to evidence the portion of the Loan that is allocated to such Individual Loans for such Properties owned by Guarantor; and

**WHEREAS**, to secure payment of the New Notes and the performance of each Borrower's obligations under the Loan Agreement, each Borrower has executed and delivered to Lender the Security Documents (as defined in the Loan Agreement) conveying to or for the benefit of Lender, as mortgagees or beneficiaries, as applicable, certain land and improvements thereon, as well as the other Loan Documents (as such term is defined in the Loan Agreement; any term not otherwise defined herein shall have the meaning assigned to such term in the Loan Agreement); and

**WHEREAS**, the \_\_\_\_\_ Loan is one of the Individual Loans, and is evidenced and secured by, *inter alia*, the following:

- (i) Guarantor's Amended, Restated and Consolidated Promissory Note of even date herewith in favor of Prudential in the original principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_) and Guarantor's Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_) (collectively, the "\_\_\_\_\_ Note"); and
- (ii) That certain Amended, Restated and Consolidated Mortgage and Security Agreement of even date herewith between Borrower and Lender, to be recorded in the real estate records of Bergen County, New Jersey (the "\_\_\_\_\_ Mortgage"), encumbering the \_\_\_\_\_ Property and securing the \_\_\_\_\_ Note; and

**WHEREAS**, notwithstanding the division of the Loan into seven (7) Individual Loans, certain terms, conditions and provisions of the Application with respect to the Individual Loans relate to all of the Individual Loans in the aggregate, and the relationship of all of the Individual Loans to each other, including, but not limited to, provisions relating to cross-default between the Loans, cross-collateral issues relating to the Loans, and provisions relating to release of or substitution of collateral (the "Master Loan Terms"); and

**WHEREAS**, the REIT Corporation and the Operating Partnership own, directly or indirectly through qualified REIT subsidiaries, Guarantor and all of the Borrowers; and

**WHEREAS**, the entire Loan in the aggregate principal amount of \$150,000,000.00 is to be secured by the Properties listed on **Exhibit A** attached hereto; notwithstanding that the Loan is divided into seven (7) Individual Loans, Guarantor acknowledges that Lender would not make any of the Individual Loans, or less than all of the Individual Loans, pursuant to the provisions in the Application relating to the Individual Loans, without making all seven (7) Individual Loans in compliance with the terms of the Application and except in accordance with all the provisions set forth in this Guaranty; and

**WHEREAS**, Guarantor acknowledges that the provisions set forth in this Guaranty and otherwise set forth in the Loan Documents relating to cross-default, cross-collateralization and the other Master Loan Terms have resulted in more favorable economic terms for the Individual Loan to Guarantor, and that Guarantor would be unable to receive financing in the amount, or at the rate, or otherwise under more favorable terms, than those set forth herein and, therefore, there exists direct and valuable consideration for Guarantor's consent and agreement to the Master Loan Terms; and

**WHEREAS**, one of the Master Loan Terms involves the Cross-Collateralization of each of the Properties, whereby the Properties of each Borrower will secure the entire Loan by virtue of securing such Borrower's New Note evidencing such Borrower's Individual Loan and such Borrower's Cross-Collateral Guaranty (as defined in the Loan Agreement) evidencing such Borrower's obligation to repay the other Individual Loans; and

**WHEREAS**, the \_\_\_\_\_ Property owned by Guarantor will secure the entire Loan by virtue of securing the \_\_\_\_\_ Note evidencing Guarantor's Individual Loan and Guarantor's Cross-Collateral Guaranty evidencing Guarantor's obligation to repay the other Individual Loans; and

**WHEREAS**, Guarantor will derive financial benefit from the Individual Loans to the other Borrowers evidenced and secured by the New Notes, Security Instruments, Loan Agreement and other Loan Documents; the execution and delivery of this Guaranty by Guarantor is a condition precedent to the advancement by Lender of the Loan and each of the Individual Loans in order to evidence the obligation of Guarantor for repayment of the Obligations other than the \_\_\_\_\_ Loan entered into with respect to the \_\_\_\_\_ Property, and, with respect to such New Notes and Individual Loans to such Borrowers, this Guaranty is intended to evidence the separate obligations of Guarantor under the Loan Agreement as a guarantor of a portion of the Loan as and to the extent described herein and subject to the Limited Recourse Liability provisions incorporated by reference herein from the \_\_\_\_\_ Note; and

**WHEREAS**, in connection with the Existing Loans other than the Existing Guarantor Loan Guarantor delivered to Lender that certain Amended and Restated Irrevocable Cross-Collateral Guaranty of Payment and Performance dated as of April 30, 1998 (the "Existing Guaranty"); and

**WHEREAS**, all of the terms, covenants and provisions of the Existing Guaranty are hereby modified, amended and restated so that henceforth such terms, covenants and provisions shall be those set forth in this Guaranty, and the Existing Guaranty, as so modified, amended and restated in its entirety, is hereby ratified and confirmed in all respects by Guarantor.

**NOW, THEREFORE**, in consideration of the foregoing recitals, which are incorporated into the operative provisions of this Guaranty by this reference, and for other good and valuable consideration, the receipt and adequacy of which are hereby conclusively acknowledged, Guarantor hereby covenants and agrees with Lender as follows:

**FOR VALUE RECEIVED**, the receipt and sufficiency of which is hereby acknowledged, and in accordance with the terms provided below, Guarantor absolutely and unconditionally guarantees and agrees to pay to Lender at the address designated in the Notes (defined below) for payment thereof or as such address may be changed as provided in the Notes or the Instrument, all Obligations (defined below) of Borrowers, under the Notes and other Documents (defined below), and absolutely and unconditionally covenants and agrees with Lender pursuant to the terms of this Guaranty, subject, however, to the provisions of Section 3 hereof, as follows:

1. As used in this Guaranty, the term (i) “**Documents**” shall have the same meaning as set forth in the Instruments (defined below); (ii) “**Obligations**” shall have the same meaning as set forth in the Instruments; (iii) “**Notes**” shall refer to the New Notes, but excluding the \_\_\_\_\_ Note, as the same may be modified, amended, renewed, extended, and/or substituted, which Notes are secured by the Instrument (as hereinafter defined); (iv) “**Instruments**” shall refer to each Amended, Restated and Consolidated Mortgages and Security Agreements of even date herewith, from Borrowers to or for the benefit of Lender, and recorded or to be recorded in the public records of Bergen County, New Jersey, which secure the Notes; (v) “**Cross Collateral Property**” shall have the same meaning as set forth in the Instruments; (vi) “**Loans**” shall mean the Loan pursuant to the Loan Agreement, but excluding the Loan evidenced by the \_\_\_\_\_ Note, and (vii) “**Costs**” shall have the same meaning as set forth in the Instrument;. Capitalized terms used herein and not defined herein shall have the meaning ascribed to such terms in the Instruments.
2. Subject to the provisions of Section 3 hereof, in the event Borrowers fail to pay the Obligations, Guarantor shall upon written demand (not later than five (5) days after written demand) of Lender promptly and with due diligence pay to and for the benefit of Lender all of the Obligations, and, in addition, Guarantor further agrees to pay any and all Costs incurred or expended by Lender in collecting any of the Obligations or in enforcing any right granted hereunder. This Guaranty is the “Note” referred to and secured by the Amended, Restated and Consolidated Second Priority Mortgage and Security Agreement (Subordinate Mortgage to Secure Cross Collateral Guaranty) of even date herewith between Borrower and Lender, to be recorded in the real estate records of Bergen County, New Jersey and is secured by the \_\_\_\_\_ Property.
3. Guarantor’s liability under this Guaranty is expressly not subject to, or limited by, any limitations on Borrowers’ liability set forth in the Notes, and Guarantor agrees and acknowledges that Lender is relying upon this Guaranty in making the Loans to Borrowers. Notwithstanding the foregoing, the provisions of Paragraph 8 and Paragraph 9 of the \_\_\_\_\_ Note are incorporated into this Guaranty as if such provisions were set forth in their entirety in this Guaranty. Guarantor agrees that any exculpatory language (the “Other Exculpatory Language”) contained in the Notes (other than the \_\_\_\_\_ Note) which Other Exculpatory Language limits any liability of Guarantor with respect to the Individual Loans related to such Properties, shall in no event apply to limit Lender’s recourse under this Guaranty, and the Other Exculpatory Language will not prevent Lender from proceeding against Guarantor to enforce this Guaranty in the manner set forth in the following sentences. Notwithstanding the foregoing provisions of this Section 3 with respect to the Other Exculpatory Language applicable to Guarantor’s obligations and liabilities under Notes and Security Instruments (other than those with respect to the \_\_\_\_\_ Property), Guarantor’s liability under this Guaranty shall be limited to Guarantor’s interest in the \_\_\_\_\_ Property and the other Collateral (as defined in the \_\_\_\_\_ Mortgage) encumbered or conveyed thereby in the Loan Documents with respect to the \_\_\_\_\_ Property. Guarantor’s limited recourse liability under this Guaranty shall be subject to the same limitations and other provisions as are set forth in Paragraph 8 and Paragraph 9 of the \_\_\_\_\_ Note, all of which terms and provisions are incorporated herein by this reference, and, except to the extent provided therein, Lender shall not enforce any deficiency judgment or personal money judgment against Guarantor or any of its respective constituent partners, or any of their respective officers, directors, agents, or shareholders with respect to the obligations arising under and evidenced by this Guaranty.
4. In the event that Lender elects to foreclose or to accept a deed-in-lieu of foreclosure under the Instruments, Guarantor hereby acknowledges and agrees that Guarantor’s recourse liability under this Guaranty as determined above shall be calculated after deduction from the outstanding Obligations (including, but not limited to, all principal, accrued interest, Prepayment Premium [as defined in the Notes], advances and other charges) of (i) the amount of money bid by or received by Lender at a foreclosure sale, or (ii) the value of the Cross Collateral Property or any other property received by Lender as consideration for acceptance of a deed-in-lieu of foreclosure.

5. In the event that Lender accepts a deed-in-lieu of foreclosure, the value of the Cross Collateral Property and any other property received by Lender shall be conclusively determined by an independent MAI appraiser, selected by Lender in its sole discretion, having not less than five (5) years' experience in appraising commercial real estate in the area where the Cross Collateral Property is located. The fees and costs of said MAI appraiser shall be paid by Guarantor.
6. Guarantor's recourse liability under this Guaranty shall continue with respect to any and all Obligations, until Lender has been paid the full amount of the Obligations from any person or entity at the time of foreclosure or following an Event of Default; provided, however, that Guarantor's recourse liability under this Guaranty shall be in addition to, and not in lieu of, any liability or obligations of Guarantor under any other document or other instrument delivered by Guarantor in connection with the Loans.
7. Guarantor also acknowledges and agrees that Lender shall have the right to seek collection of the recourse portion of the Loans under this Guaranty from Guarantor without commencement of any foreclosure proceedings, subject, however, to the terms of Section 3 hereof.
8. Guarantor expressly waives presentment for payment, demand, notice of demand and of dishonor and nonpayment of the Obligations or any part thereof, notice of intention to accelerate the maturity of the Obligations or any part thereof, notice of disposition of collateral, notice of acceleration of the maturity of the Obligations or any part thereof, protest and notice of protest, diligence in collecting, and the bringing of suit against any other party. Guarantor agrees that Lender shall be under no obligation to: (i) notify Guarantor of its acceptance of this Guaranty or of any advances made or credit extended on the faith of this Guaranty; (ii) notify Guarantor of Borrowers' failure to make payments due under the Notes as it matures or the failure of Borrowers to pay any of the Obligations as they mature or any default in performance of any obligations required by the Notes, the Instruments or any other Document; (iii) use diligence in preserving the liability of any person with respect to the Obligations, or with respect to the Notes, the Instruments or any other Document; (iv) use diligence in collecting payments or demanding performance required by the terms of the Notes, the Instruments or any other Document; or (v) bring suit against, or take any other action against, any party to enforce collection of the Notes, the Instruments or any other Document.
9. Guarantor waives all legal defenses (at law or in equity) given or available to sureties or guarantors other than the actual payment in full of all Obligations, and waives all legal defenses (at law or in equity) based upon the validity, legality or enforceability of the Notes, the Instruments or any other Document (including, without limitation, any claim that the Notes, the Instruments or any other Document is or was in any way usurious), or otherwise with respect to the Obligations. In accordance with the terms of this Guaranty, Guarantor agrees and acknowledges that it shall be primarily liable for payment of the Obligations (subject only to the limitations set forth above) in the event of default or foreclosure.
10. Guarantor acknowledges and agrees that from time to time, at Lender's discretion, with or without valuable consideration, without authorization from or notice to Guarantor, and without impairing, modifying, releasing, limiting or otherwise affecting Guarantor's liability under this Guaranty, Lender may: (i) alter, compromise, accelerate, renew, extend or change the time or manner for the payment of any or all of the Obligations due under the Notes, the Instruments or any other Document; (ii) increase or reduce the rate of interest with respect to the Notes or Loans; (iii) take and surrender security, exchange security by way of substitution, or in any way Lender deems necessary take, accept, withdraw, subordinate, alter, amend, modify or eliminate security; (iv) add or release or discharge endorsers, guarantors or other obligors; (v) make changes of any kind whatsoever in the terms of the Notes, the Instruments or any other Document; (vi) make changes of any kind whatsoever in the manner Lender does business with Borrowers; (vii) settle or compromise with Borrowers or any other person(s) liable on the Notes, the Instruments or any other Document on such terms as Lender determines; (viii) apply all moneys received from Borrowers or others, or from any security held (whether or not held under a mortgage, deed of trust, deed to secure debt or other instrument), in such manner upon the Notes or upon any other obligation arising under the Instruments or any other Document (whether then due or not) as Lender determines to be in its best interest, and without in any way being required to marshal securities or assets or to apply all or any part of such moneys upon any particular part of the Notes, the Instruments or any other Document, except to the extent as may be expressly provided therein.

11. Guarantor agrees that Lender is not required to retain, hold, protect, exercise due care with respect to, perfect security interests in, or otherwise assure or safeguard any security for the Notes or the Loans. Guarantor agrees and acknowledges that Lender's failure to do any of the foregoing and Lender's failure to exercise any other right or remedy available to Lender shall in no way affect or alter any of Guarantor's obligations under this Guaranty or any security furnished by Guarantor, or give Guarantor any recourse against Lender.

12. Guarantor agrees that its liability under this Guaranty shall not be modified, changed, released, limited or impaired in any manner whatsoever on account of any or all of the following: (i) the incapacity, death, disability, dissolution or termination of Guarantor, Borrowers, Lender or any other person or entity; (ii) the failure by Lender to file or enforce a claim against the estate (either in administration, bankruptcy or other proceeding) of Borrowers or any other person or entity; (iii) the inability of Lender, Guarantor or any other person or entity to recover from Borrowers or any other party due to the expiration of any statute of limitations or due to any other cause whatsoever; (iv) the claim or assertion (whether or not successful) by Borrowers or any other person or entity of any available defenses, set-off rights or counterclaims (other than payment in full of the Obligations) during any judicial, arbitration, or mediation proceeding; (v) the transfer(s) of any portion of the Cross Collateral Property encumbered by the Instruments or of any other secured collateral by other instrument securing payment of the Obligations; (vi) any modifications, extensions, amendments, consents, releases or waivers with respect to the Notes, the Instruments or any other Document, including, but not limited to, any other instrument that may now or hereafter secure the payment of the Obligations or this Guaranty; (vii) Lender's failure to give any notice to Guarantor of any default under the Notes, the Instruments or any other Document, including, but not limited to, any other instrument securing the payment of the Obligations or this Guaranty; (viii) Guarantor is or becomes liable for any indebtedness owed by Borrowers to Lender other than that which is secured by this Guaranty; or (ix) any impairment, modification, change, release or limitation of the liability of, or stay of actions or lien enforcement proceedings against, Borrowers, its property, or its estate in bankruptcy resulting from the operation of any present or future provision of 11 U.S.C. §101 *et. seq.* or any other present or future federal or state insolvency, bankruptcy or similar law (all of the foregoing hereinafter collectively called "**Applicable Bankruptcy Law**") or from the decision of any court.

13. Guarantor agrees and acknowledges that Lender shall not be required to (i) pursue any other remedies before invoking the benefits of the guaranties contained in this Guaranty, or (ii) make demand upon or institute suit or otherwise pursue or exhaust its remedies against Borrowers or any surety other than Guarantor or to proceed against any security now or hereafter existing for the payment of any of the Obligations. Guarantor also acknowledges that Lender may maintain an action on this Guaranty without joining Borrowers in such action and without bringing a separate action against Borrowers.

14. If the Notes, the Instruments or any other Document cannot be enforced against Borrowers for any reason whatsoever (including but not limited to the legal defenses of *ultra vires*, lack of authority, illegality, *force majeure*, act of God, usury or impossibility), such unenforceability shall not affect Guarantor's liability under this Guaranty. Guarantor agrees that it shall be liable to the extent provided in this Guaranty notwithstanding the fact that Borrowers may be held not to be liable for such Obligations or not liable to the same extent as Guarantor's liability.

15. Guarantor agrees that in the event that Borrowers do not or otherwise are unable to pay the Obligations for any reason (including, without limitation, liquidation, dissolution, receivership, conservatorship, insolvency, bankruptcy, assignment for the benefit of creditors, sale of all or substantially all assets, reorganization, arrangement, composition, or readjustment of, or other similar proceedings affecting the status, composition, identity, existence, assets or obligations of Borrowers, or the disaffirmance or termination of any of the Obligations in or as a result of any such proceeding), Guarantor shall pay the Obligations and such occurrence shall in no way affect Guarantor's obligations under this Guaranty.

16. Should the status, structure or composition of Borrowers or any of them change, Guarantor agrees that this Guaranty shall continue and shall also cover the Obligations of Borrowers under the new status, structure or composition of Borrowers, or of any successor. This Guaranty shall remain in full force and effect notwithstanding any transfer of the Cross Collateral Property encumbered by the Instruments.

17. In the event any payment by Borrowers to Lender is held to constitute a preference under any Applicable Bankruptcy Law, or if for any other reason Lender is required to refund or does refund such payment or pay such amount to any other party, Guarantor acknowledges that such payment by Borrowers to Lender shall not constitute a release of Guarantor from any liability under this Guaranty, but Guarantor agrees to pay such amount to Lender upon demand and this Guaranty shall continue to be effective or shall be reinstated, as the case may be, to the extent of any such payment or payments.

18. Guarantor agrees that it shall not have (i) the right to the benefit of, or to direct the application of, any security held by Lender (including the Cross Collateral Property covered, conveyed or encumbered by the Instruments and any other instrument securing the payment of the Obligations), (ii) any right to enforce any remedy which Lender now has or hereafter may have against Borrowers, or (iii) any right to participate in any security now or hereafter held by Lender.

19. Guarantor also agrees that it shall not have (i) any defense arising out of the absence, impairment or loss of any right of reimbursement or subrogation or other right or remedy of Guarantor against Borrowers or against any security resulting from the exercise or election of any remedies by Lender (including the exercise of the power of sale under the Instruments), or (ii) any defense arising by reason of any disability or other defense of Borrowers or by reason of the cessation, from any cause (other than as a result of payment in full of the Obligations), of Borrowers' liability under the Notes, the Instruments or any other Document.

20. Guarantor agrees that any payment it makes of any amount pursuant to this Guaranty shall not in any way entitle Guarantor to any right, title or interest (whether by way of subrogation or otherwise) in and to the Notes, the Instruments or any other Document, or any proceeds attributable to the Notes, the Instruments or any other Document, unless and until the full amount of the Obligations owing to Lender has been fully paid. At such time as the full amount of the Obligations owing to Lender has been fully paid, Guarantor shall be subrogated as to any payments made by it to Lender's rights against Borrowers and/or any endorsers, sureties or other guarantors. For the purposes of the preceding sentence only, the full amount of the Obligations shall not be deemed to have been paid in full by foreclosure of the Instruments or by acceptance of a deed-in-lieu of foreclosure, and Guarantor hereby waives and disclaims any interest which it might have in the Cross Collateral Property encumbered by the Instruments or other collateral security for the Obligations, by subrogation or otherwise, following such foreclosure or Lender's acceptance of a deed-in-lieu of foreclosure.

21. Guarantor expressly subordinates its rights to payment of any indebtedness owing from Borrowers to Guarantor (including, but not limited to, property management and construction management fees and leasing commissions), whether now existing or arising at any time in the future, to the right of Lender to first receive or require payment of the Obligations in full (and including interest accruing on the Notes after any petition under Applicable Bankruptcy Law, which post-petition interest Guarantor agrees shall remain a claim that is prior and superior to any claim of Guarantor notwithstanding any contrary practice, custom or ruling in proceedings under such Applicable Bankruptcy Law). Guarantor further agrees, upon the occurrence of an Event of Default, not to accept any payment or satisfaction of any kind of indebtedness of Borrowers to Guarantor or any security for such indebtedness without Lender's prior written consent. If Guarantor should receive any such payment, satisfaction or security for any indebtedness owed by Borrowers to Guarantor, Guarantor agrees to deliver the same without delay to Lender in the form received, endorsed or assigned for application on account of, or as security for, the Recourse Liability; until such payment, satisfaction or security is delivered, Guarantor agrees to hold the same in trust for Lender.

22. Under no circumstances shall the aggregate amount paid or agreed to be paid under this Guaranty exceed the highest lawful rate permitted under applicable usury law (the "**Maximum Rate**") and the payment obligations of Guarantor hereunder are hereby limited accordingly. If under any circumstances, whether by reason of advancement or acceleration of the unpaid principal balance of the Notes or otherwise, the aggregate amounts paid hereunder shall include amounts which by law are deemed interest and which could exceed the Maximum Rate, Guarantor stipulates that payment and collection of such excess amounts shall have been and will be deemed to have been the result of a mistake on the part of both Guarantor and Lender, and Lender shall promptly credit such excess (only to the extent such interest payments are in excess of the Maximum Rate) against the unpaid principal balance of the Notes, and any portion of such excess payments not capable of being so credited shall be refunded to Guarantor. The term "**applicable law**" as used in this paragraph shall mean the laws of the Property State (as such term is defined in the Instruments) or the laws of the United States, whichever laws allow the greater rate of interest, as such laws now exist or may be changed or amended or come into effect in the future.

23. Guarantor hereby represents, warrants and covenants to and with Lender as follows: (i) the making of the Loans by Lender to Borrowers are and will be of direct interest, benefit and advantage to Guarantor; (ii) Guarantor is solvent, is not bankrupt and has no outstanding liens, garnishments, bankruptcies or court actions which could render Guarantor insolvent or bankrupt; (iii) there has not been filed by or against Guarantor a petition in bankruptcy or a petition or answer seeking an assignment for the benefit of creditors, the appointment of a receiver, trustee, custodian or liquidator with respect to Guarantor or any substantial portion of Guarantor's property, reorganization, arrangement, rearrangement, composition, extension, liquidation or dissolution or similar relief under Applicable Bankruptcy Law; (iv) all reports, financial statements and other financial and other data which have been or may hereafter be furnished by Guarantor to Lender in connection with this Guaranty are or shall be true and correct in all material respects and do not and will not omit to state any fact or circumstance necessary to make the statements contained therein not misleading and do or shall fairly represent the financial condition of Guarantor as of the dates and the results of Guarantor's operations for the periods for which the same are furnished, and no material adverse change has occurred since the dates of such reports, statements and other data in the financial condition of Guarantor; (v) the execution, delivery and performance of this Guaranty do not contravene, result in the breach of or constitute a default under any mortgage, deed of trust, lease, promissory note, loan agreement or other contract or agreement to which Guarantor is a party or by which Guarantor or any of its properties may be bound or affected and do not violate or contravene any law, order, decree, rule or regulation to which Guarantor is subject; (vi) there are no judicial or administrative actions, suits or proceedings pending or, to the best of Guarantor's knowledge, threatened against or affecting Guarantor which would have a material adverse effect on either the Property or Borrower's ability to perform its obligations, or involving the validity, enforceability or priority of this Guaranty; and (vii) this Guaranty constitutes the legal, valid and binding obligation of Guarantor enforceable in accordance with its terms.



24. Guarantor will furnish to Lender the financial statements and other information as to Guarantor as are described in Section 3.15 of the Instrument, on or before the deadlines set forth therein. Guarantor will provide to Lender such other financial information and statements concerning Guarantor's financial status as Lender may request from time to time, all of which shall be in form and substance acceptable to Lender. Guarantor shall be in default hereunder if there is any falsity in any material respect or any material omission in any representation or statement made by Guarantor to Lender or in any information furnished Lender, by or on behalf of Borrower or Guarantor, in connection with the Loan and/or any of the Obligations, as determined by Lender in its sole and absolute discretion.

25. Guarantor further agrees to the following:

(a) Where two or more persons or entities have executed this Guaranty, unless the context clearly indicates otherwise, all references herein to "Guarantor" shall mean the guarantors hereunder or either or any of them. All of the obligations and liability of said guarantors hereunder shall be joint and several. Suit may be brought against said guarantors, jointly and severally, or against any one or more of them, or less than all of them, without impairing the rights of Lender against the other or others of said guarantors. Lender may compound with any one or more of said guarantors for such sums or sum as it may see fit and/or release such of said guarantors from all further liability to Lender for such indebtedness without impairing the right of Lender to demand and collect the balance of such indebtedness from the other or others of said guarantors not so compounded with or released. However, said guarantors agree that such compounding and release shall in no way impair the their rights as among themselves.

(b) Except as otherwise provided herein, the rights of Lender are cumulative and shall not be exhausted by its exercise of any of its rights under this Guaranty or otherwise against Guarantor or by any number of successive actions, until and unless all Obligations have been paid and each of the obligations of Guarantor under this Guaranty have been performed.

(c) Intentionally Omitted.

(d) Any notice or communication required or permitted under this Guaranty shall be given in writing, sent by (i) personal delivery, or (ii) expedited delivery service with proof of delivery, or (iii) United States mail, postage prepaid, registered or certified mail, sent to the intended addressee at the address shown below, or to such other address or to the attention of such other person(s) as hereafter shall be designated in writing by the applicable party sent in accordance herewith. Any such notice or communication shall be deemed to have been given and received either at the time of personal delivery or, in the case of delivery service or mail, as of the date of first attempted delivery on a business day at the applicable address and in the manner provided herein.

- (e) This Guaranty shall be deemed to have been made under and shall be governed in all respects by the laws of the Property State.
- (f) This Guaranty may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All such counterparts shall be construed together and shall constitute one instrument, but in making proof hereof it shall only be necessary to produce one such counterpart.
- (g) This Guaranty may only be modified, waived, altered or amended by a written instrument or instruments executed by the party against which enforcement of said action is asserted. Any alleged modification, waiver, alteration or amendment which is not so documented shall not be effective as to any party.
- (h) The books and records of Lender showing the accounts between Lender and Borrowers shall be admissible in any action or proceeding arising from this Guaranty as prima facie evidence for any claim whatsoever, absent manifest error.
- (i) Guarantor waives and renounces any and all homestead or exemption rights Guarantor may have under the United States Constitution, the laws of the Property State, or the laws of any state as against Guarantor, and Guarantor transfers, conveys and assigns to Lender a sufficient amount of such homestead or exemption as may be allowed, including such homestead or exemption as may be set apart in bankruptcy, to pay and perform the obligations of Guarantor arising under this Guaranty. Guarantor hereby directs any trustee in bankruptcy having possession of such homestead or exemption to deliver to Lender a sufficient amount of property or money set apart as exempt to pay and perform such Guarantor obligations.
- (j) The terms, provisions, covenants and conditions of this Guaranty shall be binding upon Guarantor, its heirs, devisees, representatives, successors and assigns, and shall inure to the benefit of Lender and Lender's transferees, credit participants, successors, assigns and/or endorsees.
- (k) Within this Guaranty, the words of any gender shall be held and construed to include any other gender, and the words in the singular number shall be held and construed to include the plural and the words in the plural number shall be held and construed to include the singular, unless the context otherwise requires.
- (l) A determination that any provision of this Guaranty is unenforceable or invalid shall not affect the enforceability or validity of any other provision, and any determination that the application of any provision of this Guaranty to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to any other persons or circumstances. Accordingly, the provisions of this Guaranty are declared to be severable.

THIS GUARANTY is executed as of the date and year first above written.

**GUARANTOR:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: Barry Lefkowitz  
Title: Executive Vice President and Chief Financial Officer

The address of Guarantor is:

[\_\_\_\_\_]   
c/o Mack-Cali Realty Corporation  
343 Thornall Street  
Edison, New Jersey 08837  
Attn: Mitchell E. Hersh, President and Chief Executive Officer

With a copy to:

General Counsel  
Mack-Cali Realty Corporation  
343 Thornall St.  
Edison, New Jersey 08837  
Attention: Roger W. Thomas

The address of Lender is:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA AND VPCM, LLC  
c/o Prudential Asset Resources, Inc.  
2100 Ross Avenue, Suite 2500  
Dallas, Texas 75201  
Attention: Asset Management Department; Reference Loan No. \_\_\_\_\_ and \_\_\_\_\_

With a copy to:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA  
c/o Prudential Asset Resources, Inc.  
2100 Ross Avenue, Suite 2500  
Dallas, Texas 75201  
Attention: Legal Department; Reference Loan No. \_\_\_\_\_ and \_\_\_\_\_



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## MACK - CALI REALTY CORPORATION

## NEWS RELEASE

For Immediate Release

Contacts: Barry Lefkowitz  
Executive Vice President  
and Chief Financial Officer  
(732) 590-1000

Ilene Jablonski  
Senior Director, Marketing  
and Public Relations  
(732) 590-1000

## MACK-CALI REFINANCES \$150 MILLION SECURED LOAN

Edison, New Jersey—January 19, 2010— Mack-Cali Realty Corporation (NYSE: CLI) today announced it has refinanced its \$150 million secured loan with The Prudential Insurance Company of America. The new loan also includes VPCM, LLC, a wholly-owned subsidiary of the Virginia Retirement System, as co-lender.

The loan, which matures on January 15, 2017, carries an interest rate of 6.25 percent and is secured by seven properties.

Mack-Cali Realty Corporation is a fully-integrated, self-administered, self-managed real estate investment trust (REIT) providing management, leasing, development, construction and other tenant-related services for its class A real estate portfolio. Mack-Cali owns or has interests in 289 properties, primarily office and office/flex buildings located in the Northeast, totaling approximately 33.2 million square feet. The properties enable the Company to provide a full complement of real estate opportunities to its diverse base of approximately 2,100 tenants.

Additional information on Mack-Cali Realty Corporation is available on the Company's website at [www.mack-cali.com](http://www.mack-cali.com).

Statements made in this press release may be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements can be identified by the use of words such as "may," "will," "plan," "should," "expect," "anticipate," "estimate," "continue," or comparable terminology. Such forward-looking statements are inherently subject to certain risks, trends and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate, and involve factors that may cause actual results to differ materially from those projected or suggested. Readers are cautioned not to place undue reliance on these forward-looking statements and are advised to consider the factors listed above together with the additional factors under the heading "Disclosure Regarding Forward-Looking Statements" and "Risk Factors" in the Company's Annual Reports on Form 10-K, as may be supplemented or amended by the Company's Quarterly Reports on Form 10-Q, which are incorporated herein by reference. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events, new information or otherwise.

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